
Committee Meeting

of

ASSEMBLY TRANSPORTATION AND INDEPENDENT AUTHORITIES COMMITTEE

*“The Committee will take testimony from the
Chairman of the Port Authority of New York and New Jersey
Board of Commissioners concerning the Port Authority’s draft 2017-2026 Capital Plan”*

LOCATION: Committee Room 11
State House Annex
Trenton, New Jersey

DATE: February 15, 2017
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman John S. Wisniewski, Chair
Assemblywoman Valerie Vainieri Huttle, Vice Chair
Assemblywoman Annette Chaparro
Assemblyman Nicholas A. Chiaravalloti
Assemblyman Thomas P. Giblin
Assemblyman Paul D. Moriarty
Assemblywoman Sheila Y. Oliver
Assemblyman Robert D. Clifton
Assemblywoman BettyLou DeCroce
Assemblyman John DiMaio



ALSO PRESENT:

Philip M. Mersinger
Lauren M. Vogel
*Office of Legislative Services
Committee Aides*

Jillian Lynch
*Assembly Majority
Committee Aide*

Glen Beebe
*Assembly Republican
Committee Aide*

***Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
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Vice-Chair

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COMMITTEE NOTICE

TO: MEMBERS OF THE ASSEMBLY TRANSPORTATION AND INDEPENDENT
AUTHORITIES COMMITTEE

FROM: ASSEMBLYMAN JOHN S. WISNIEWSKI, CHAIRMAN

SUBJECT: COMMITTEE MEETING - FEBRUARY 15, 2017

The public may address comments and questions to Philip M. Mersinger, Lauren M. Vogel, Committee Aides, or make bill status and scheduling inquiries to Melinda Chance, Secretary, at (609)847-3840, fax (609)292-0561, or e-mail: OLSAideATR@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

The Assembly Transportation and Independent Authorities Committee will meet on Wednesday, February 15, 2017 at 10:00 AM in Committee Room 11, 4th Floor, State House Annex, Trenton, New Jersey.

The committee will take testimony from the Chairman of the Port Authority of New York and New Jersey Board of Commissioners concerning the port authority's draft 2017-2026 Capital Plan.

The following bill(s) will be considered:

A-1831 Conaway/Singleton	Directs DOT to add certain portion of Rising Sun Road in Bordentown Township to State highway system.
A-2439 Wisniewski/Pinkin/ Chiaravalloti	Requires DOT Commissioner to develop public awareness programs and use variable message signs to inform motorists about State's "move over" law.
A-3319 Land/Andrzejczak/ Chiaravalloti	Directs DOT to establish roadside accident memorial program.

(OVER)

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A-4542
Mazzeo/Johnson

Designates portion of the U.S. Route 322 in Atlantic County as "State Trooper Frankie Williams Memorial Highway."

THOSE WISHING TO SUBMIT WRITTEN MATERIALS SHOULD PROVIDE 20 COPIES AND GIVE THEM TO OLS STAFF PRIOR TO THE START OF THE MEETING

Issued 2/10/17

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(This is an excerpt from the Assembly Transportation and Independent Authorities Committee meeting held February 15, 2017, regarding the Port Authority of New York and New Jersey.)

ASSEMBLYMAN JOHN S. WISNIEWSKI (Chair): Good morning, ladies and gentlemen.

I'd like to call to order this meeting of the Assembly Transportation and Independent Authorities Committee.

We have four bills on our agenda. But we also have an opportunity to hear from the Port Authority of New York and New Jersey -- from its Chairman, John Degnan, who was invited to provide this Committee with testimony -- most particularly about the 10-year proposed capital plan.

We are going to, first, start with a roll call.

Before we do that (cell phone rings), I would just ask everyone who has a cell phone to silence it, if you could.

UNIDENTIFIED MEMBER OF AUDIENCE: That wasn't me.
(laughter)

ASSEMBLYMAN WISNIEWSKI: And thank you for that timing; I appreciate it. (laughter)

And we also have a new member; and I'd like to welcome him to the Committee, Assemblyman DiMaio.

Thank you for joining us.

ASSEMBLYMAN DiMAIO: Thank you, Mr. Chairman.

I'm excited to join this Committee, and I hope I have something to add to the conversation here as time goes on.

ASSEMBLYMAN WISNIEWSKI: I'm sure you will.

ASSEMBLYMAN DiMAIO: Thank you.

ASSEMBLYMAN WISNIEWSKI: We appreciate you joining us, and we look forward to a productive relationship.

So with that, let's start with a roll call.

MR. MERSINGER (Committee Aide): Assemblyman Clifton.

ASSEMBLYMAN CLIFTON: Here.

MR. MERSINGER: Assemblywoman DeCroce.

ASSEMBLYWOMAN DeCROCE: Here.

MR. MERSINGER: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Here.

MR. MERSINGER: Assemblyman McGuckin. (no response)

Assemblywoman Oliver. (no response)

Assemblyman Moriarty.

ASSEMBLYMAN WISNIEWSKI: He's in the building at another meeting. He'll be here shortly.

MR. MERSINGER: Assemblyman Kennedy. (no response)

Assemblyman Giblin. (no response)

Assemblyman Chiaravalloti. (no response)

Assemblywoman Chaparro.

ASSEMBLYWOMAN CHAPARRO: Here.

MR. MERSINGER: Assemblyman Benson. (no response)

Vice Chair Vainieri Huttel. (no response)

Chairman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Present.

I'd like to thank all of the hardy souls on the Committee who came here at 10:00 this morning. (laughter) I appreciate it.

And I'd also like to thank Chairman Degnan and his staff for being here.

I'm going to start the meeting just by providing a brief opening statement; and then, Chairman, I know you have a statement too.

So first, let me thank Chairman Degnan and the Port Authority staff for joining the Assembly Transportation Committee this morning to discuss the agency's draft capital budget plan which, as we speak, is in the process of undergoing public comment.

I would also like to take a moment to personally thank Chairman Degnan for his leadership at the Port Authority, and his work to restore the integrity and confidence in the agency, at a very difficult time for its reputation over the past several years.

It is no secret that I have had my differences with the agency; but I do believe that the Port Authority has an important role to play in helping create an efficient and effective transportation infrastructure for the bistate region, which helps ensure that we have a healthy economy and jobs for all of our citizens.

But that being said, I have concerns about the capital plan. I believe that it has numerous problems, and contains several bad assumptions. For instance, I'm concerned about the timeline for building the Bus Terminal. It has received, in this draft plan, a miniscule amount of funding; and it acknowledges that, during this 10-year plan, it would not be possible to complete the Bus Terminal.

What is concerning to me is that, for the confidence of the public -- to look at what we do in the public sector, to have an acknowledgement that it's going to take us longer than 10 years to replace the Bus Terminal is concerning. There is some funding, as I said, in this capital plan for it; but not enough to complete it.

What also concerns me in the capital plan is that the priorities are *misapplied*, I guess is the best way to describe it. For instance, there are multiple billion-dollar train lines that are proposed as part of this budget. A train line -- an extension of PATH to Newark Airport, as well as an extension to LaGuardia Airport of a different line -- those are taking much-needed dollars away from what I would say is *mission number one*, the Port Authority Bus Terminal. And I think that's a mistake because when we looked at the use of the Bus Terminal, we saw a quarter-million working men and women every day using it for their commute in and out of the City; while the billion-dollar train lines are expected to run at a deficit and at below capacity. The reality is, is that they seem to exist only to take a few Wall Street executives to the airport quicker.

We understand -- and I think it's acknowledged by transportation professionals -- that bus service is a more cost-effective return on an investment, with regard to both cost and capacity. And when it comes to the airport trains-- Well, it was one of the Port Authority's Commissioners who said it would be cheaper, essentially, to give every passenger who wanted to take those train lines an Uber ride, than it would cost to build and operate the train lines.

I should say *Uber* or *Lyft*, not to show preference to either company. (laughter)

The public is frustrated about the type of quid-pro-quo budgeting that exists in the Port Authority. It's an unfortunate reality of the current makeup of the Commissioners and the two Governors who appoint them; but it is a reality that needs to change, because it does not serve the long-term mission of the Port Authority well.

It is difficult for me, as a Legislator, to get behind a plan when the spending decisions are more concerned with satisfying each state's parochial interests, rather than the transportation professionals and their opinions about what our region's transportation needs really are.

So after all of that, I will tell you what I am hoping to hear today.

I'm looking to hear how this plan helps our middle class working men and women who need the transportation facilities that the Port Authority is responsible for. How does it help them get to work on time at a reasonable cost? Because right now, I do not see it.

Ladies and gentlemen, any other members of the Committee wish to say anything at the outset? (no response)

Okay; our Vice Chair is here.

Vice Chair, welcome.

ASSEMBLYWOMAN VALERIE VAINIERI HUTTLE (Vice Chair): (off mike) Thank you.

And may I just--

ASSEMBLYMAN WISNIEWSKI: Absolutely, absolutely.

ASSEMBLYWOMAN VAINIERI HUTTLE: Thank you, Mr. Chairman.

And I'm happy to see Chairman Degnan this morning.

And not only do we have issues -- and I hope to hear and have some, I guess, plan on the Bus Terminal, when we get to it-- And I would also like to, even, highlight some of the incidents -- the suicides -- on the George Washington Bridge. And I know that -- I think, Jim (*sic*) Degnan, you were noted in a recent press article that -- whether the guards are on break, we don't have ample security there. The latest suicide that just happened recently was a friend and neighbor in the community. And I would hope to hear that -- whether we can prevent, in any way -- whether there's fencing, or having guards on duty, on call-- And so that's another layer of information that I'd like to hear from later on.

And also, just quickly -- some of the maintenance at Newark Airport -- I have one issue. When you're driving into Newark Airport -- basic, basic maintenance. Terminal A -- you can't even see the sign; it's faded. Obviously, those who know where they're going can navigate; but we're talking about simple signage.

So aside from the millions and millions of planning that we're going to hear about today, some of these basic maintenances, also, at Newark Airport -- it may be an easy fix. So I just wanted to give you a quick summary on that.

And I welcome you; and I thank the Chairman for having this hearing, because it's very important, as you know, to our state and, especially, to the North Jersey community to keep transportation moving.

Thank you, Mr. Chairman.

ASSEMBLYMAN WISNIEWSKI: Thank you, Vice Chair.

Good morning, Chairman Degnan; welcome.

I see you've brought your team with you. And if you would start, just simply, by identifying who is with you.

J O H N J. D E G N A N: Sure; thank you.

ASSEMBLYMAN WISNIEWSKI: Just press the button so the red light is on. (referring to PA microphone)

MR. DEGNAN: Thank you, Chairman.

Libby McCarthy is the CFO at the Port Authority; Steve Plate is the Chief of Planning; Catherine, what's your current title at Newark Airport?

C A T H E R I N E C R O N I N: I'm the Program Director of Redevelopment at Newark Airport.

ASSEMBLYMAN WISNIEWSKI: Thank you.

CHAIRMAN DEGNAN: And I'm sure Catherine will address the Vice Chairman's -- Vice Chairperson's comment about signage at Newark Airport, since we actually are leaving here to go up to a meeting at Newark Airport at 1:00 I think, to talk about the plans for the redevelopment of Terminal A. But I appreciate that comment.

So Chairman Wisniewski, Vice Chairman Vainieri Huttle, and members of the Committee, I want to thank you for the opportunity to attend today's meeting and provide a presentation of the Port Authority's proposed \$32 billion 10-year capital plan.

I was nominated by Governor Christie, in April 2014, to become Chairman at the Port Authority. In the roughly three years since then, I know I have testified before this Committee -- this is my second occasion, I believe; I testified before the Oversight Committee at least twice.

I've been to innumerable meetings with the leadership of the Assembly and the Senate, all without a subpoena.

I welcome the opportunity to talk about the Port Authority publicly. It's consistent with the goal I've had -- and shared by most of my colleagues on the Board -- to increase the transparency and openness of this agency, which has suffered from the lack thereof for several years before 2014.

Over the last year-and-a-half, the Authority's Board of Commissioners has worked on a substantive review process to examine the 10-year capital plan.

Let me make a couple of remarks about a 10-year capital plan. The last 10-year capital plan the Port Authority adopted was in 2014; this is 2017. We're in the midst of a new capital plan. A capital plan is a blueprint of what we expect, hope, and believe we need to do over the next 10 years. It is not locked in stone; things change, priorities change. Funding becomes more or less available. Our own ability to produce revenues is not fixed; it's dependent upon the number of people who exercise -- who use the crossings of the Hudson River. It's dependent on the number of passengers we have on the airlines, which fund so much of the public transportation aspects of it.

So I don't want to create a misimpression that everything in this 10-year capital plan is locked in stone in exactly the way in which it is stated during the capital plan. As one of my colleagues said during an early public discussion about the plan, "There's one thing we know" it's Mike Fascitelli, from New York -- "One thing we do know is that at the end of 10 years, if we were to look back, not everything in this capital plan will have

been accomplished. Some things that aren't in it will probably become higher priority and be on the agenda; and that there is a process that goes forward, involving the Board, with respect to the authorization of particular projects that could be at variance with what's in the capital plan."

I think it's important that that concept be understood.

Our goal, however, as a Board, was to create a capital plan that's focused on transportation -- balanced, fiscally responsible, but that advances the Port Authority's core mission of regional transportation infrastructure.

It was an exhaustive process that included many presentations and discussions with the agency's career staff from each line department -- engineering, finance, and capital management -- and the Board itself. We had numerous and robust conversations with staff, examining each facility, each priority; as well as the state-of-good-repair projects, which would add to the agency's goals of moving people and goods more efficiently throughout the region.

The new major capital projects included in this plan, to me, are exciting.

There's \$3.5 billion for the Port Authority Bus Terminal. With all due respect, Chairman, that's more than a *miniscule* amount of money. It's more than 10 percent of the entire capital plan of the Port Authority, over the next 10 years.

Very exciting to me -- as a frequent user of Terminal A at Newark, and as somebody who believes that enhancing its ability will enhance the overall reputation of Newark Airport -- there's a \$2.3 billion plan to support the redevelopment. This is a rebuild; a new Terminal A

adjacent to the existing Terminal A, after which the existing facility will be torn down.

There's \$1.7 billion to build a new connection from PATH -- of PATH trains to Newark Liberty International Airport's Rail Link Station. Because, Mr. Chairman, you appropriately raised questions about that project, let me just take one minute on it.

The Regional Planning Association -- one of the most respected, non-political or apolitical planning groups in the tristate region -- has strongly endorsed, since 2011, the building of a PATH connection to Newark Liberty Airport. It's not just a one-seat ride to downtown Manhattan, although that's an important characteristic of it. Not because we're sending bankers to Goldman Sachs; but because we're allowing New Jersey commuters to drive to Newark Airport, park their car there, get on a one-seat ride from Newark to downtown Manhattan. Those of you who are going to Manhattan every day know that it's not difficult to navigate from midtown to downtown. This will accelerate trans-Hudson crossing capacity and enhance it -- something that we know is in dire need in the region today.

More than that, it has an incidental benefit. It will revitalize a neighborhood of Newark where the AirLink will meet the New Jersey Transit rail stop and probably -- as we've seen in Harrison -- spur significant economic development and residential development for use of the PATH to downtown New York.

There are questions about PATH to Newark that have to be answered before the Board will authorize the construction of the project. What will the projected ridership be? What prices can we charge? Can we

differentiate the prices so it's higher for the one-seat ride from Newark Airport, than it is for people who are commuting from Newark to Jersey City now, for daily work, who may not be able to support an increased fare?

But I think that without that evidence, it's unfair to trash this project -- which has been on the planning table since about 2001. Shame on the Port Authority for not advancing it more aggressively prior to this.

There's \$600 million for the development of LaGuardia's Terminals C and D. LaGuardia will be a world-class, 21st century airport when all of the projects included within the current plans of the Port Authority -- mostly financed by the airlines that are using the terminals -- are completed.

There's \$2.5 billion for a visioning process at JFK Airport.

Additionally, the plan also includes -- and this gets lost sometimes -- \$7.6 billion to finish projects currently in construction. These are important projects, engineering marvels. The Bayonne Bridge is going to open sometime before the end of this year for navigational clearance of the Panamax ships that are now crossing the Panama Canal; establishing firmly the Port Authority of New York and New Jersey's leadership role on the East Coast in freight transportation.

The Goethals Bridge is being rebuilt. It's an enormous project, one of the biggest public-private partnerships in the history of this country. And it's on time, within budget so far; and the risk is being transferred to a private developer.

The upgrades to the Harrison and Grove Street PATH stations are amazing to watch. The incidental development around them is impressive.

The port and rail cargo facility at Greenville Yard in Jersey City; the LaGuardia Airport Terminal B Redevelopment; the World Trade Center Program completion -- all of those are within the \$7.6 billion of this plan. These are important priority projects, and need to be done in balance with the needs of the region for other projects.

The draft also includes \$8.8 billion -- or 30 percent of the total 10-year planning -- for state-of-good-repair projects. I wouldn't want, as Chairman of the Port Authority -- and won't be the Chairman of the Port Authority in five years if there's a major problem with one of our existing facilities -- a breach of security at the PATH tunnels; some fault in a trans-Hudson crossing, which requires that we close it to repair it. Unless we take care of state-of-good-repair projects -- which aren't always sexy, but include enormous investments like \$1.5 billion to upgrade the George Washington Bridge-- This is a bridge built in 1931. Envision what cars were like at the time, and what trucks were like at the time. It was built well enough to support a second deck. But it's now bordering on close to a century of utilization, in another 20 years. We need to upgrade that; we need new suspenders on the Bridge in order to allow it to continue to function with the heavy usage it has now.

We're going to replace the Lincoln Tunnel Helix, that awful conduit that you go down in, roughly, a circle to get to the Lincoln Tunnel. It's too small; the lanes are, I think, only 10 feet wide, because it was built at a time when cars -- that was ample. This needs to be done.

And there is \$360 million just to replace wharfs and piers. If we don't do it, we'll lose our leadership role in the port area.

The draft capital plan also includes \$2.7 billion toward the payment of debt service for what everybody agrees is probably the single-most important trans-Hudson crossing challenge that we face in the region -- and that is the Gateway Tunnel Project between New York and New Jersey.

As I said earlier, the capital plan is really a blueprint for future spending. It doesn't replace the Board's authorization process for specific projects and contracts. In fact, the Board will specify how the capital plan and related questions of funding capacity will be monitored, and might be adjusted in the future. The Committee on Finance and the Committee on Capital Planning, Execution, and Asset Management will continue their current practice of having quarterly monitoring of the Port Authority capital expenditures and capital capacity. The Board's oversight will include, every two years, a reassessment of this capital plan in light of the then-current information as to capital capacity, revenues, and the progress of capital projects. Commissioners can then determine whether there will be sufficient resources with respect to any one specific project to invest in that project during the remainder of the capital plan, at roughly the pace and the cost that has been planned; or to fund necessary expenditures in the next, subsequent 10-year period.

The Board will confirm in that process, through existing authorization procedures, when construction may begin on a given capital project. That will include consideration of the revenue-generating potential of that project, the project's relative and overall capacity. And if, in the Board's judgment, there is not, at that time, sufficient capital capacity, then either construction shouldn't begin -- this is with respect to any project -- or

other projects should be deferred, eliminated, or modified to the point that there becomes sufficient capital capacity; or the Board should consider other fiscally prudent alternatives.

With respect to the proposed capital plan, in the interest of transparency, it was my belief -- shared by the other Commissioners -- that broad public notice and opportunity to review and comment be provided. The process we've used for this capital plan stands in stark contrast to the process that was used with respect to the toll increases that the Chairman has referenced. The Port Authority, for the first time in its history, held two public meetings on its capital plan: one in New York and one in New Jersey -- believe it or not, from 5 to 8 p.m., at times when people could actually attend. Each of these meetings was attended by the senior staff of the Port Authority and, at each meeting, at least one Commissioner from each state attended.

And listen carefully: An extended period of public comment expires, I believe, today on the eve of the meeting that the Port Authority plans tomorrow. During those two sessions, we had 56 speakers; I think there were 33 at the session that I attended. There were thoughtful, mostly deliberative, comments about the Port Authority capital plan; and there were 250 submitted comments on the website in response to our posting of the capital plan.

I can personally attest to this Committee that all of the Board members at the Port Authority took seriously their fiduciary and management responsibilities, and were committed to providing a 10-year capital plan that addresses the serious transportation infrastructure.

I believe we've laid a strong, fiscally prudent foundation for the Port Authority's continued leadership in the regional transportation network. And I'm proud of both the staff -- including the people who are here with me today -- and my Board members for their dedication; and for everyone who works, or commutes, or visits a Port Authority facility.

One final comment before I turn -- with the Chair's permission -- to Libby, and Steve, and Catherine to elaborate a bit more on the capital plan and, particularly, two specific projects which I know are of interest to this Committee.

Mr. Chairman, I listened carefully to your presentation at the Port Authority Board meeting -- I think it was two months ago. And I actually reread it yesterday before coming down here. And I take seriously and respect your view that the obligation of a Commissioner of the Port Authority is independent of either of the two Governors. I took an oath when I joined the Port Authority to become a fiduciary for the agency. I do not vote, I do not act in response to a gubernatorial preference, wish, and certainly not an order. I think I've demonstrated that; and I think the Board has, on numerous occasions before.

I'm voting for this capital plan tomorrow, because I believe it's the most responsible capital plan that the Port Authority could come up with. But I live in a real world of politics and governance. Either Governor in either state can veto the capital plan; it's solely within his discretion. He doesn't even have to express reasons for doing so. In order to deal with that, it would be foolish of me, I think, and of our Board not to seek input from the Governors about what projects they believe -- having been elected

by millions of constituents in both states, to oversee the projects -- which ones were highest priority for them.

When I said that not every project in the capital plan was the recommendation, unanimously, of staff at the Port Authority, that's true. Some of them reflect what the Governors believe is a high priority. And under the current form of the legislation, it's appropriate for them to express those wishes. It's not appropriate for us to simply defer to those wishes in contrary to our best judgement and incorporate them in the capital plan. But in the interest of compromise and getting a capital plan which will allow this agency to move forward on important projects, we did strike a compromise. We did take into consideration projects that the Governors thought were high priority. Those projects, however, will not move forward unless, at the time construction is authorized, there are sufficient revenue capacities in the Port Authority fiscal picture that allow those projects to move forward. So PATH to Newark will get additional scrutiny; the AirTrain to LaGuardia will get additional scrutiny; any visioning plan for JFK will get additional scrutiny before the projects actually move forward.

And that's the best I can offer to what the Chairman has expressed. And I acknowledge our legitimate concerns about particular projects.

At this point, unless there are questions of me-- And I'd prefer to let the others speak, and then have the questions, Mr. Chairman; but you're the boss, so I'll take your lead.

ASSEMBLYMAN WISNIEWSKI: No, Chairman, I think--
Let's -- I'll let your team put on their presentation. I think it will better
inform the members for questions they have.

So, please continue.

CHAIRMAN DEGNAN: Thank you.

ELIZABETH M. MCCARTHY: Thank you.

Good morning, and thank you, Chairman Wisniewski and
members of the Committee.

My name is Elizabeth -- or Libby -- McCarthy, and I'm the
Chief Financial Officer of the Port Authority. I've been with the Port
Authority for four years. Prior to joining them, I had over 30 years of
experience in the financial area, including leadership positions as Chief
Financial Officer in both public and private entities, and as a partner at
Price WaterhouseCoopers.

My office worked closely with the offices of the Chief Engineer
and the Chief of Capital Planning, Execution, and Asset Management to
assist senior leadership and the Board of Commissioners in developing the
proposed capital plan. It is an honor for me to present to you the proposed
\$32 billion 2017-2026 capital plan, which was released for public comment
on January 11.

In February 2015, the Port Authority Board endorsed the
recommendations of the Special Panel on the Future of the Port Authority,
which called for the Port Authority to reassess and update its 10-year
capital plan to reflect investment in the region's transportation needs.
Without question, this proposed, comprehensive 10-year capital plan

reflects a number of difficult choices required to balance investment priorities in a financially responsible manner.

The plan adheres to three guiding principles: To apply the agency's financial capacity and full resources toward modernizing and expanding the region's aging airports, seaports, mass transit facilities, and other vital trans-Hudson transportation assets; to continue serving our customers efficiently, focusing on maintaining our assets in a state of good repair, while ensuring safety, security, and resiliency; and to allocate the agency's affordable capital to its highest priority needs in a fiscally responsible manner so as to achieve a financially balanced plan.

The balanced portfolio of critical infrastructure projects presented in the proposed capital plan both affirms and supports the Port Authority's mission to meet the region's core transportation needs, while simultaneously acting as good stewards of the public's resources in a fiscally responsible way.

As recommended by the Special Panel on the Future of the Port Authority, \$600 million of unallocated Regional Development Funds have been redeployed to transportation projects that align with the agency's core mission.

The agency's engineering, capital planning, operations, and financial planning professionals conducted a comprehensive survey of the current and most pressing capital needs; as well as a risk-based evaluation of the relative benefits and priorities these capital requests reflected.

And just as trees cannot grow to the sky, the Port Authority's financial capacity is not unlimited. Therefore, in determining funding allocations, first, every project that is currently in construction was

evaluated to confirm that it should be completed, and sufficient funds were allocated to deliver those projects. Next, funds were allocated to maintain our assets in a state of good repair, and provide for projects required by law or for security purposes. Finally, funds were allocated to provide for projects that will restore and fortify assets damaged by Superstorm Sandy; and to other high-priority projects that will expand and improve critical transportation assets.

This foundation for the future is built on our four main funding priorities and objectives: renew, expand and connect, partner, and deliver.

Renewing our existing assets represents 27 percent, or \$8.8 billion, of this proposed capital plan. If we include the projects of this type that are currently in construction, renew projects represent 37 percent of the proposed plan.

The capital plan includes projects that expand capacity, improve connectivity, and advance the region's transportation needs. At \$11.1 billion, these projects represent over a third of the proposed spending; or almost half of the plan when we consider projects that are currently in construction.

Together with our Federal and regional partners, we are also following through on our commitment to restore infrastructure that was damaged by Superstorm Sandy, enhance our resiliency, and plan for the future. These projects represent \$4.7 billion, or 15 percent, of the proposed spend in the 10-year period. This category includes the Port Authority's support of the Gateway Development Program -- a critical trans-Hudson rail link, and its associated infrastructure -- in the amount of \$2.7 billion.

As Chairman Degnan noted, this will be in the form of debt service support of the GDC -- Gateway Development Corp's low-cost borrowing. The Port Authority would not be subject to project cost overrun or funding gap risk. And this support, as all of our projects, will be subject to our rigorous *gates* review process, which I will discuss in a moment.

Finally, a critical component of the plan is to deliver on the projects we have under construction. This category makes up 24 percent, or \$7.6 billion of the capital plan; and as I noted, is made up of the three categories I described above.

On slide 4 of the presentation you have in front of you, you can see the proposed capital plan dollars allocated by department, as well as a listing of the significant projects in each department.

As you can see, the largest spending is in the Aviation and the Tunnels, Bridge, and Terminals Group, which is consistent with our major airport redevelopment projects and the substantial investment we are making in our bridges, as well as the spending on the replacement of the Port Authority Bus Terminal.

The Port Authority employs a comprehensive, risk-based planning process that considers multiple factors in developing both its annual budget and its long-range capital plan, and that ensures the agency is consistently moving towards achieving its long-term goals. This risk-based prioritization considers asset condition, operational and revenue impact, threat assessment, customer service, regional benefit, and regulatory or statutory requirements. Other factors include regional needs, customer demands, and industry trends.

Although a joint agency of the two states, the Port Authority stands on its own, both operationally and financially. Operationally, we are much like a traditional corporate entity. Financially, the Port Authority is self-sustaining and raises the funds it needs to acquire, construct, or improve its facilities primarily on the basis of its own credit. Except in limited circumstances through grant funding, the Port Authority does not receive Federal or State support. When it was created, the states provided the Port Authority with the power to establish charges for the use of its facilities and to borrow money through its bonds or other obligations.

In large part, the revenues of the Port Authority are generated from the tolls, fares, landing and dockage fees, rentals, and other charges at certain of its facilities. Not all of the Port Authority's facilities produce surplus revenues. And additionally, some facilities operate at a deficit, or are non-revenue producing to the Port Authority.

After covering our operating expenses, it is these revenues that are used to pay debt service on Port Authority consolidated bonds, and then are available to invest in capital or to cover other authorized obligations.

In determining capital capacity for this proposed 2017 through 2026 period, the Port Authority projected its future net revenues based on its existing contracts and leases, and its currently approved rates and charges, subject to contractual or other escalations.

The Port Authority also included reasonable assumptions regarding Federal or other third-party funding sources that would be available to support various projects in the plan; net proceeds from the sale or net lease of non-core real estate assets; and potential revenues from

various sources of fees and charges at its facilities, including potential changes to reflect inflation that the Board may consider in the future.

The projections do not include broad, general increases in auto or truck tolls in the period beyond the previously approved adjustments based on inflation.

The chart on slide 6 shows that the projected sources are balanced with the proposed spend in the 2017 through 2026 period.

On slide 7, as Chairman Degnan noted, the proposed plan is a blueprint for the future spending, and does supplant the Board's authorization process for specific projects and contracts. The capital plan, and related questions of funding capacity, will be monitored and will be adjusted in the future. This slide illustrates the Port Authority's enhanced gating process, which provides natural break points in a project's life cycle to either continue or modify a specific project. Gate 3 is a critical gate that will determine whether a project can proceed to construction. If, in the Board's judgement, there is not sufficient capital to complete a project, or other priorities have arisen, then construction will not begin. Other projects will be deferred, or eliminated, or modified to the point that there is sufficient capital, at which point construction may begin; or the Board will consider other fiscally prudent alternatives, taking into account such factors as revenues, expenses, and anticipated project costs.

This tool is used not only as a way to determine when a project should start construction, but also to make sure, during the 10-year period, we're keeping powder dry for projects that are scheduled to start in the latter part of the period -- so making sure a high-priority project

scheduled for the backend of the plan is not lost because we've spent on a lower-priority project earlier in the plan.

The Port Authority Board's Committee on Finance and the Committee on Capital Planning, Execution, and Asset Management will continue to monitor the capital expenditures and capital capacity on a quarterly basis. In addition, as the Chairman mentioned, at least every two years the Board will reassess the capital plan in light of then-current information as to capital capacity and the progress of the capital projects, to determine whether there are sufficient resources to continue to invest at the level assumed in this plan, or whether or not we need to start to make changes to that -- again, as the Chairman has already discussed.

This disciplined project onboarding and gates process, together with the regular monitoring, is critical to ensuring that the plan remains financially balanced in a fiscally responsible way; and that the Authority is able to serve its stakeholders, both today and tomorrow.

As the Chairman mentioned, staff was directed by the Board to provide an open and transparent process that included the publishing of a full, detailed draft of the plan on January 11. The materials included a downloadable PDF document, accompanied with downloadable, detailed project listings in XL format.

An extended public comment period began on January 6, and will conclude at the end of the day today. And the Board is being briefed along the way, as the comments are being received, so that they are aware of the nature of the comments that are coming in.

We had the two public meetings, one on January 31 in New York -- our offices in New York; and one on February 7 in Jersey City -- our offices. And both were very well attended.

And then, as I said, prior to the deliberation -- final determinations tomorrow, the Board will consider all the comments that they've received.

And I'm happy to take any questions you may have when we're complete.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Does that conclude--

CHAIRMAN DEGNAN: With the Chair's leave, I think Steve Plate has a couple of comments about both the Bus Terminal and the PATH extension to Newark; and then Catherine has some comments about the proposed Terminal A redevelopment at Newark Airport.

ASSEMBLYMAN WISNIEWSKI: As long as we have you for questions afterwards; I know you have a time constraint on your availability.

CHAIRMAN DEGNAN: Yes; I was hoping to leave by 12:00 to attend another meeting in Newark. If I have to stay another half hour or 40 minutes, I can do that.

ASSEMBLYMAN WISNIEWSKI: Okay; thank you.

Please begin.

S T E V E N P. P L A T E: Thank you, Chair, and members of the Committee.

My name is Steve Plate; I serve as Chief of Major Capital Projects. I have been with the Port Authority for over 30 years and, most

recently, was the Director of World Trade Center construction for the past 11 years.

I am happy to provide an overview of two major projects in the proposed 10-year capital plan -- namely, the PATH rail extension to Newark Liberty Rail Link Station, and the Port Authority Bus Terminal Replacement project.

First, the PATH rail extension to Newark Liberty Rail Link Station.

The proposed 10-year capital plan allocates \$1 billion towards the PATH rail extension to Newark Liberty Rail Link Station, with an estimated total project cost of \$1.7 billion. In order to fulfill the balance, the Port Authority will apply for Federal funding.

Today, PATH's Newark-to-World Trade Center line currently operates, and begins at Newark Penn Station. Extending the PATH system from Newark Penn Station to the Northeast Corridor Rail Link Station -- located in Newark's South Ward, adjacent to the Dayton neighborhood -- would improve transit access for commuters and airport customers coming from many of the communities currently served by PATH, including Lower Manhattan; Bergen, Hudson, and Essex counties in New Jersey. On the map, you can see the location of the proposed new station and its proximity to the Amtrak, New Jersey Transit, and Northeast Corridor; as well AirTrain.

By extending the PATH Newark-to-World Trade Center Line to New Jersey Transit, Amtrak, and the Newark AirTrain at the Northeast Corridor Rail Link Station at Newark, this project will facilitate transit access to Newark Liberty International Airport and Newark's South Ward.

The extension would provide substantial benefits in reduced travel times, increased travel time predictability, and lower costs for air travelers making use of Newark from lower Manhattan, as well New Jersey communities; and provide commuter access from regional New Jersey suburbs and cities directly to destinations in Jersey City, Hoboken, and lower Manhattan.

Part of the formal planning process will include ridership studies to determine not only the potential number of users, but also the origination of future riders.

The proposed program elements would include:

Extending the PATH rail infrastructure from Newark Penn Station to the Northeast Corridor Rail Link Station at Newark Liberty Airport, which is approximately 2.4 miles.

A new passenger station, located in Newark's South Ward, adjacent to the Dayton neighborhood, and with connection to the Northeast Corridor Rail Link Station at Newark Liberty International Airport

Intermodal connectivity to the existing transportation -- namely Amtrak/New Jersey Transit Northeast Corridor lines, Newark Liberty AirTrain, and New Jersey Transit bus lines. Pedestrian access to the station as well.

Rail storage and staging yards. And a project design to accommodate future construction of a parking garage facility, through a potential public-private partnership.

As with planning on all major projects seeking Federal funding assistance, this effort would undergo review known as an *environmental impact statement* by a designated Federal agency under the Federal NEPA

Environmental Review Process. Included during the review is a robust public involvement and outreach effort, including the creation of two advisory groups, namely the Technical Advisory Committee -- or we call it *TAC* -- and the Stakeholder Advisory Committee -- which is designated *SAC*. Construction is anticipated to start in the year 2020, and be completed with full revenue service operations available to PATH in 2026.

Now turning to the Port Authority Bus Terminal.

The existing Port Authority Bus Terminal was opened in 1950, and was expanded in 1981. As you know, currently, it is a challenge to meet the passenger demand. The new Terminal will meet current and future projected capacity, provide for a safe and reliable commute, and enhance the customer experience.

At present, the Bus Terminal accommodates approximately 232,000 passenger trips, and more than 7,800 bus movements per average weekday; but demand is expected increase to as many as 270,000 daily peak-hour passengers by the year 2020, and as many as 337,000 daily peak-hour passengers by the year 2040. The existing facility is also incompatible with current bus configurations, which require enhanced bus staging and storage.

The overall proposed program will replace the existing Bus Terminal, which is nearing the end of its useful life, with a state-of-the-art facility in a location to be selected following robust community outreach and stakeholder engagement. This will allow us to lay the groundwork for the various Federal, State, and local regulatory review processes that are a part of such a project, including the federally mandated NEPA environmental review process.

The new facility can be constructed to be scalable, and prepare to meet the approximately 35 to 50 percent growth in passenger traffic forecasted by 2040, while meeting all contemporary standards and code requirements.

Elements of the project -- which are, again, subject to appropriate Federal, State and local review -- include a 21st century terminal facility equipped with a ramping system to allow access to and from the Lincoln Tunnel and Route 495 corridor; bus parking and staging facilities to aid in on-time performance and operational efficiency; pedestrian connectivity to West, Midtown, and pre-existing subway systems; considerations for commercial, retail, and community amenities to equally benefit the surrounding neighborhood and bus commuters in the region.

The proposed Port Authority 10-year capital plan provides for \$3.5 billion in funding through the year 2025. This allocation includes funding for planning, design and permitting, environmental review, public outreach and participation, as well as construction

The public outreach, planning, and environmental review phases will inform the requirements, design, and construction of the new Bus Terminal on the west side of Manhattan. I anticipate this phase of work will take approximately two to three years to complete. The process will include a robust alternative analysis, which informs the NEPA review.

Today, the total project cost is currently estimated at \$7.5 to \$10 billion. This will be refined as the planning, environmental review, and public outreach phases are underway and completed. The final total project

cost will be informed by the design and engineering, environmental and regulatory review, insurance, and construction costs.

Tomorrow I will be presenting to the Port Authority Board, at their monthly meeting, a request for authorization for upwards of \$70 million. This will allow the ability to work with our Procurement Department to engage consultants with the expertise in disciplinary engineering design, environmental and regulatory review, and public communications and outreach.

For the next 10 years, the \$3.5 billion budgeted project amount will be used towards all the preliminary work I spoke of earlier: planning, initial and final engineering design, environmental and other regulatory review, communications and outreach efforts, and initial construction phases.

Being a construction engineer and having decades of experience building large projects in urban environments, the staging of a project is critical to maintaining the balance of construction progress and project impacts to the surrounding community. There will be numerous challenges to building the PATH to Newark extension, as well as the Port Authority Bus Terminal Replacement project, including such things as neighborhood quality of life concerns, traffic management, staging, available work times, and coordination of multiple contracting entities.

The phasing and implementation plan for construction of these two projects will be developed based on the results of the planning and environmental review phases, as well as an extensive public outreach and participation from the region's stakeholders. Construction will be staged to minimize disruption to the surrounding areas, as well as bus and rail

operations, with the development of a master schedule that facilitates coordination with regional transportation partners and other construction programs.

As we continue to efficiently leverage Port Authority funds for this project, we will seek to apply for Federal grant funding and private value -apture opportunities.

We welcome these challenges, which will further the Port Authority's reputation as a builder of regional transportation infrastructure.

Thank you for your time and indulgence. And again, I look forward to questions at the end of these presentations.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Mr. Chairman, we're going to move ahead with giving members an opportunity to ask questions; only because we, too, have a voting session today, while you also have a commitment out of here. We're going to quickly run out of time, and I'd like to give the members an opportunity to ask questions.

CHAIRMAN DEGNAN: Mr. Chairman, I defer -- of course, I defer to you on that. If there is time at the end, you'd be missing an exciting presentation by Catherine on what's going to happen at Terminal A at Newark Airport. So if there is time at the end, I would ask that you--

ASSEMBLYMAN WISNIEWSKI: Absolutely.

CHAIRMAN DEGNAN: --allow that presentation to go forward.

ASSEMBLYMAN WISNIEWSKI: Absolutely.

CHAIRMAN DEGNAN: In the meantime, she's here to answer any questions that would be asked about it.

ASSEMBLYMAN WISNIEWSKI: Fantastic.

So Chairman, I'll start off, just, with this question.

You've had two public hearings, you've received 250 comments, and you've heard from 56 speakers along the way in reviewing the proposed capital plan for the Port Authority. Tomorrow the Port Authority is scheduled to vote on the capital plan. The first question is, what, if anything, has changed as a result of the input you've received over the past month -- with the input from all of these speakers, and written comments that the Port Authority has received?

CHAIRMAN DEGNAN: So I don't want to pre-judge the actions of the Board tomorrow and what concerns my colleagues may have -- about which, I have not spoken to them.

ASSEMBLYMAN WISNIEWSKI: Sure.

CHAIRMAN DEGNAN: From my own perspective, I was surprised by the degree of support for the PATH extension to Newark project that was exhibited by local public officials in the City of Newark, and Essex County, and numerous community representatives. They had not previously spoken so eloquently about the project.

Secondly, I was struck by the number of comments about bicycle access on the George Washington Bridge. Fully a third of the 30 or so people -- who I heard in one public hearing -- addressed that issue particularly. I wish we could include that in the capital plan. There is, I think, a proposal that will be made tomorrow to enhance access by bicycles to paths on the George Washington Bridge, by putting in a ramp that will, believe it or not, preclude the necessity of lifting your bike up steps currently.

But the idea of widening the pedestrian passageways on the Bridge to allow enhanced bicycle access is not in the capital plan; it would be enormously expensive. I don't rule out that it could happen in the next 10 years, but it's not currently in the capital plan. But there was fervent support for that, and I was impressed by the eloquence and detail of the comments.

There were skeptical remarks made by people about some of the projects; most notably, to me, the AirTrain to LaGuardia Airport, about which I have personal reservations myself as to its doability; and have read many planners' comments that it doesn't make sense, in terms of relative priorities. But the planning authorization -- rather, the RFP that would be approved tomorrow at the Board meeting would probably serve to provide a "yes" or "no" basis for that project going forward, that would be more informed than just the reservations I heard.

There were also some opponents to the PATH to Newark extension -- as prohibitively expensive, relative to the benefits. And again, the resolution tomorrow would authorize studies which will provide factual data on which the Port Authority could decide whether that project should go forward at the time.

ASSEMBLYMAN WISNIEWSKI: But would it be fair to say that, essentially, the capital plan -- as introduced by the Commissioners at that meeting that I spoke at -- is essentially very similar to the capital plan that will be considered tomorrow?

CHAIRMAN DEGNAN: Yes; and from my perspective -- it's the day before the meeting -- I have no problem saying I intend to support the capital plan as it was proposed in January--

ASSEMBLYMAN WISNIEWSKI: Okay.

CHAIRMAN DEGNAN: --with the modification on the ramp to provide increased bicycle access to the George Washington Bridge.

ASSEMBLYMAN WISNIEWSKI: So just drilling into the PATH extension -- the billion dollars, plus or minus-- A billion and a quarter?

CHAIRMAN DEGNAN: It's \$1.7 billion.

ASSEMBLYMAN WISNIEWSKI: It's \$1.7 billion

CHAIRMAN DEGNAN: Some of which is Federal money.

ASSEMBLYMAN WISNIEWSKI: Which is being allocated. That's all for studies?

CHAIRMAN DEGNAN: No; that's a total project cost estimate, at this point in time.

ASSEMBLYMAN WISNIEWSKI: Okay. And so what will be -- what's the first step that-- Because I think one of the things you said in your remarks is that there's still multiple steps to go through in order to finally determine whether or not to actually construct that project. Isn't that correct?

MR. PLATE: Yes.

CHAIRMAN DEGNAN: Yes, Chairman; that's correct.

ASSEMBLYMAN WISNIEWSKI: So what's the next step? This, hypothetically, gets adopted tomorrow as a 10-year capital plan; what's the next step with the allocation of those dollars -- that \$1.7 billion?

CHAIRMAN DEGNAN: Steve, can you help me with where that is in the gating process?

MR. PLATE: Surely.

What we would do in the first step, Chair, is to -- from the-- If you follow it, the \$1 billion was funded from the Port Authority; the \$0.7 was looking for Federal funding. The first step would be to determine, as part of the NEPA process -- which, as you know, is a very strict process -- determine the appropriate Federal lead agency; so working with them to kick off the Notice of Intent, as well as a Purpose and Need.

And then to answer your questions, very directly -- have the right people -- the experts -- looking at the ridership; but not just with experts, but also talking to the users -- namely, the PATH system, as well as New Jersey Transit, to only name a few. And then the next gate would be sitting down with the Board and sharing with them the results of that -- the ridership studies; as well as the interest on the part of the Federal agencies to support this project and fund this project.

CHAIRMAN DEGNAN: So, no--

ASSEMBLYMAN WISNIEWSKI: So the first--

CHAIRMAN DEGNAN: --construction money will be spent until those studies are done -- ridership, the revenues, and the like can be presented to the Board.

ASSEMBLYMAN WISNIEWSKI: And what is planned on being spent to do those studies?

MR. PLATE: I'm sorry; what was--

ASSEMBLYMAN WISNIEWSKI: How much of that \$1.7 billion is going to come up with the decision, essentially, as to whether to move forward with that project?

MR. PLATE: It's approximately about \$10 million.

ASSEMBLYMAN WISNIEWSKI: Okay.

Second question: The Port Authority Bus Terminal -- \$3.5 billion allocated in the capital plan towards the Bus Terminal. At the hearing I spoke at, Chairman, you had said that it's not enough money to do the project, but we won't be able to get it done in the 10 years of the capital plan. Roughly correct?

CHAIRMAN DEGNAN: Yes.

ASSEMBLYMAN WISNIEWSKI: Can you explain that to me? How can it take longer than 10 years, and why isn't there more money to get it-- If \$3.5 billion is not enough to do it, why aren't we putting more in to get it done quicker?

CHAIRMAN DEGNAN: Frankly, I'd like to put more money in the capital plan, allocable to the Bus Terminal. I'd like to put in the full \$7.5 to \$10 billion total project cost estimate. I wouldn't garner the relevant support of my colleagues in New York for that amount of money, with the exception of one. I wouldn't get--

ASSEMBLYMAN WISNIEWSKI: Not to interrupt you -- if you had one from New York, that would give you seven votes; and you can get it done.

CHAIRMAN DEGNAN: Under the Port Authority legislation, Chairman, as you may know, any vote of the Port Authority requires three votes from each state. And I count those votes as carefully as you probably count the votes on this Committee, when you have a bill that you're interested in getting out. And I think I'm fairly confident in predicting-- Moreover, Governor Cuomo would veto the capital plan. If by including \$10 billion in the capital plan for the Bus Terminal we had to decrease the amount that goes to projects like JFK visioning, or LaGuardia AirTrain --

which he has identified as state-of-the-future requirements for the airports and the--

Frankly, it's as direct as I can be.

ASSEMBLYMAN WISNIEWSKI: So let's play out the hypothetical.

I understand the concern about a gubernatorial veto of the minutes; it's part of the bistate compact. And you had used the word *compromise* when you were making your opening statement -- that, part of the nature of the position you hold and the Commissioners hold is to find a compromise.

What would happen to the Port Authority and the capital plan if you did get a gubernatorial veto? What's the step after that?

CHAIRMAN DEGNAN: I've thought about this a lot; and it's happened before in the Port Authority.

There was a time when the Port Authority didn't meet for, I think, 18 months; I'm not sure I've got the--

MR. PLATE: That's correct; that's correct

CHAIRMAN DEGNAN: Governors Whitman and Pataki were at war. Nothing happened; everything stopped. This is the greatest engineering opportunity for regional transportation improvement in the last several decades. In the face of a gubernatorial veto, frankly, we would not appropriate money for capital projects that are not included in the plan. I actually believe it's irresponsible for Port Authority to approve a project that's not in the capital plan. It would grind the Port Authority to a halt.

ASSEMBLYMAN WISNIEWSKI: Isn't that, effectively, what's happening now, though? I mean, with one state-- It seems to me,

Chairman, that one state is dead set on stopping or delaying the Port Authority Bus Terminal. And to that end, I know that there's been a request made by New York legislators, New York City councilmembers to do an enhanced environmental study for the Port Authority Bus Terminal. Isn't that correct?

CHAIRMAN DEGNAN: Unfortunately, yes.

ASSEMBLYMAN WISNIEWSKI: Can you explain that?

CHAIRMAN DEGNAN: No.

ASSEMBLYMAN WISNIEWSKI: No, no; can you explain--
(laughter)

CHAIRMAN DEGNAN: It's not rational.

ASSEMBLYMAN WISNIEWSKI: Can you explain what they're asking?

CHAIRMAN DEGNAN: I can explain what they're asking, and I am extremely disappointed that, at this point in the process, the Mayor's Office and the local public officials in New York -- led by Congressman Nadler -- have interjected this notion.

As Steve has demonstrated, the Port Authority Bus Terminal, seeking some Federal support, will be required to go through the NEPA process. That will take 18 months to two years. If it's a Tier 2 process -- which is what is being recommended by the City and the local elected public officials -- estimates are that it would increase by, I believe, two to three years additional -- the environmental permitting process. This is anathema to what President Trump is talking about, in terms of enhancing permitting for important infrastructure jobs. It's an unfortunate development for the City of New York.

The two-tiered process would include, essentially, this: We have to look at every trans-Hudson commuter capacity modality and see how it fits into the overall trans-Hudson capacity demand over the next 20 years.

With all due respect to my friends in New York, we've done that already in the trans-Hudson Commuter Capacity Study, which we released four months ago. It showed that even if you increase -- through the use of the Secaucus Transfer Station, through the building of the PATH link to downtown New York, and through other alternatives -- the capacity to cross the Hudson, you're still going to need a bus terminal of relatively the size that we're predicting is necessary. Because capacity is going to be matched by demand increase.

There's an unmet ability to cross the Hudson today from people who need to do it. If you increase it, more people are going to use it. All the planners say we're going to need a Bus Terminal this size. I don't understand the position in New York. I was hoping that Governor Cuomo, by agreeing to this capital plan, would essentially allow the Bus Terminal to move forward. I believe that if we spend \$3.5 billion over the next 10 years, there's no way, responsibly, any public official could stop the completion of that project. That was my expectation going into the process.

I know that this is not an important project for Governor Cuomo; he's told me that. But I know that other projects in the capital plan are important to him. And he made an agreement as well. Those projects would go forward, and he would allow the Bus Terminal to go forward. I don't know whether Governor Cuomo is behind the recently articulated demand for an enhanced Tier 2 review. It would not surprise

me, but I don't know that. What I don't understand is why this comes up in the form of a formal letter, with no advance notice, even though we've had ongoing discussions with the City and the local public officials.

But I've seen enough evidence of how they've treated this in the past; and I've been the subject of accusations, demands for recusal, for my resignation. This doesn't happen unless, to me, there's less than a rational explanation for the process. And that's the best I could tell you.

ASSEMBLYMAN WISNIEWSKI: So I'm going to conclude on this; and you can feel free to comment or not.

You had talked about compromise as the method by which things get done at the Port Authority, recognizing gubernatorial vetoes. But it seems to me the very notion of compromise requires both sides, who are compromising, to act in good faith. An 11th hour letter requesting a Tier 2 environmental evaluation of this project-- which I think you said would add two or more years to an already 18 month- to two-year process -- essentially draws out the initial study of this almost up to five years. It doesn't seem to me that the other side -- the other parties to the compromise are not living up to up to what they promised. Would you agree or disagree?

CHAIRMAN DEGNAN: Because as I've said, I can't say with confidence why this proposal was made, I can't entirely agree with your statement.

What I can say, bluntly, is that the gating process we've laid out for you today allows the Board, at several points in the movement forward of the projects that New York does want done, to say "no" unless projects are advancing at the same pace.

This is not the end of the game; it's the beginning.

ASSEMBLYMAN WISNIEWSKI: Well, you and I understand; but it seems to me, though, that there are New York officials-- And I'm sure that the Congressman, the Mayor, the councilmen and the legislators involved have had absolutely no conversations with Governor Cuomo or staff. I'm sure they are operating entirely on their own. But it seems that they are throwing an unnecessary hurdle in front of a project that is important to 250,000 New Jerseyans every day. And underscores the frustration that I've had with the Port Authority -- not with your leadership, Chairman -- but with the structure of the Port Authority that, as you point out, requires three votes from New York state to get a project done when, in most legislative bodies, a simple majority would suffice. It seems like a bargaining power between Governors and Commissioners are not equal. And it, in part, creates the very dysfunction that I know you're trying to overcome there; but it seems to be systemic.

CHAIRMAN DEGNAN: So it shouldn't be this way, Mr. Chairman. This is a regional agency that ought to be considering projects, not on the basis of whether they primarily advantage New York or whether they primarily advantage New Jersey.

The reality is that I preach that message; but I'm not able to drive the agency or, frankly, abide by the concept myself.

ASSEMBLYMAN WISNIEWSKI: Right.

CHAIRMAN DEGNAN: What I can tell you is that a highly motivated and committed representation from New Jersey on the Port Authority Board can ensure that projects of importance to New Jersey and the region move forward by essentially preventing projects that are of interest to the state of New York from moving forward.

ASSEMBLYMAN WISNIEWSKI: Right. Except in this case, it seems like the project of importance to New Jersey is being dealt an unexpected hurdle from the very people who you would think understand the nature of the compromise that got us to this point.

CHAIRMAN DEGNAN: But I'm hopeful that further conversations will cause reason to prevail.

ASSEMBLYMAN WISNIEWSKI: Well, you're hopeful; I'm not. I'm very skeptical about the structure of this agency. And although you may not be able to say it, your testimony seems to indicate that this agency's governing structure really needs to be overhauled.

But thank you, Chairman.

CHAIRMAN DEGNAN: If I may just say one thing about that.

ASSEMBLYMAN WISNIEWSKI: Yes.

CHAIRMAN DEGNAN: There's a reform bill pending before the Legislature in New Jersey today. Governor Christie conditionally vetoed the bill that passed the Legislature to conform it to the New York bill. It's required, under the Bistate Compact, that the legislation be identical in both states.

ASSEMBLYMAN WISNIEWSKI: Right.

CHAIRMAN DEGNAN: That bill would, by law, bring to the Port Authority the kind of governance reforms -- the creation of an Inspector General, that we already have, but it would embed it in law -- to make it important to pass. Anyone interested in true reform at the Port Authority ought to be doing what they can to make sure that the New Jersey bill is passed in the form it currently exists, because all we've done

during my tenure at the Port Authority is enhance our governance structure by bylaws, which could be changed by the next Board. We need the law to pass.

ASSEMBLYMAN WISNIEWSKI: I couldn't agree with you more. I think that that would be a good first step, although I do believe that the very governance structure of six Commissioners being appointed by each Governor, and requiring essentially a super majority to get anything done, also needs to be changed.

But I appreciate that viewpoint.

Vice Chair Vainieri Huttle.

ASSEMBLYWOMAN VAINIERI HUTTLE: I'll be very quick, because I know my other colleagues have questions.

And so I just want to ask, again, and continue the conversation on this new Port Authority Bus Terminal. And I know -- I think you've scratched six designs already, at this point, which I feel like we're not getting anywhere.

But here's the simple question I ask. Where do you think-- Because first of all, we can have the best design -- and the monies could be prioritized to start the design and funding -- but where are we going to build it? Where do you think it is best suited? As you say, trans-Hudson, both states need to benefit. And what we say, on the Jersey side, is that our commuters need quality of life, to get to their jobs. So where do you think is the best place to build this? Because that's the issue, I believe, that is going back and forth: West Side, the property is expensive; are we building out a block toward the river? Are we looking at New Jersey?

And so I don't understand how we can have-- And I think Mr. Plate said, "The location to be selected following a robust community outreach and stakeholder engagement." I would think you heard, mostly, that it should be built on the West Side of New York, and so we're looking at final costs as well. Where do you think is the best place that it should be built, Mr. Chairman?

CHAIRMAN DEGNAN: So, Vice Chairman, I appreciate that question; and, frankly, I appreciate your support -- and that of the Bergen County delegation -- on the Bus Terminal that I've enjoyed during the last two-and-a-half years, led by Senators Gordon and Weinberg on the Senate side.

If I answered that question, the project would never get built. (laughter) The environmental process requires that we not pre-select an identified location, but that we consider all alternatives; and we will.

That said, the Board has expressed a preference, subject to those studies, to erect a new bus station on the West Side of Manhattan, one block east of the current structure; to be built on property owned already by the Port Authority, or in airspace over property that we currently own.

ASSEMBLYWOMAN VAINIERI HUTTLE: East or west? Excuse me.

CHAIRMAN DEGNAN: West of--

ASSEMBLYWOMAN VAINIERI HUTTLE: West; okay.

CHAIRMAN DEGNAN: --the current 8th Avenue location; so it would be a 9th Avenue location. It has the disadvantage of being slightly more remote to the subway connections that a lot of our passengers take

when they come in. But there are ways to move people that enhance their ability to access it.

There does seem to be consensus -- even among the New York elected officials -- that there needs to be a new bus terminal on the West Side of Manhattan. There are questions about scale and size. Another question is, can we, from a feasible engineering perspective, rebuild on the existing site -- which is mind-boggling to contemplate; but for an agency that's raising the roadbed of the Bayonne Bridge by 65 feet, not impossible to consider. Steve is leading an engineering study, now, to assess whether the current structure would support that.

We need to do this, though, in collaboration with the neighborhood, with Community Boards 4 and 5, and with the city planning agencies that have to approve the project.

So I wish I had an answer to that question. What I do know is that a new bus terminal -- whether it's a rebuild of the existing one, or a new one -- needs to be and will be built on the West Side of Manhattan in a form and configuration that garners local public support.

ASSEMBLYWOMAN VAINIERI HUTTLE: Thank you, Mr. Chairman.

And Chairman, just again -- I just want to hope that you look at the serious issues on the Bridge -- safety issues. Again, you know, we had a second suicide this year. There are many that are not, probably, reported. But I really hope that we can do something to secure -- whether it's fencing or whether to have those guards 24/7; to be cognizant of these tragedies that occur, more likely than not.

So I appreciate that, Chairman.

CHAIRMAN DEGNAN: It is heartbreaking to see the number of suicides that occur annually on the George Washington Bridge. The work of the Port Authority Police Department in intercepting, identifying people who are walking across the Bridge as potential suicide candidates -- interdicting iPhone locations when someone calls, worried about a particular person -- are impressive, but not enough.

There is a suspender rope program at the Port Authority, that's included in the capital plan, that will add 11-foot enhanced fencing on the exterior of the walkways, which will make it much more difficult than it is today to use the Bridge as a vehicle for suicide. The Security Committee is also considering, tomorrow, a report on the point you made -- and that was reported in the *Bergen Record* -- about the summit security operation. And there will be a discussion about it in the public Board meeting as well, after it's considered in executive session tomorrow.

Those are serious concerns, about which there is dispute as to the validity of the degree of safety concerns. But you raise an excellent point.

ASSEMBLYWOMAN VAINIERI HUTTLE: Thank you.

Thank you, Mr. Chairman.

ASSEMBLYMAN WISNIEWSKI: Thank you, Vice Chair.

Assemblywoman.

ASSEMBLYWOMAN CHAPARRO: Thank you, Chairman.

Thank you, Chairman, and your team, for being here.

I represent-- First, let me start off with, I'm glad this is a blueprint, and not set in stone; I was glad to hear that.

But I represent communities along the Hudson County waterfront, like Hoboken and Jersey City. We're seeing the fastest growth of population in the country. Both the PATH and Port Authority Bus Terminal are beyond capacity now.

If you're going to put off replacing the Bus Terminal for more than a decade -- which seems to be something that's not going to change, after hearing what was said here -- what are the plans to address the capacity issues that we already have right now? And have we considered-- You know, during emergencies, we use the ferries; we tap into that. Have we considered using that to alleviate what's existing now, as far as the capacity?

I mean, we have a really hot population; everyone is going to the City. And those are really their concerns. I mean, putting a capital plan together, obviously, is not easy; you're going to hear from many different communities throughout the state of what they want and what's important, both in New Jersey and New York. But we already have this capacity. And if there's anything we can do -- continue with this plan, but do anything that would alleviate that for our commuters -- I think that would at least make them happy for now, until this progresses and we can get that Bus Terminal going.

CHAIRMAN DEGNAN: So there-- Assemblywoman, there are funds in the capital plan for the purchase of an additional 50 cars for the PATH system.

ASSEMBLYWOMAN CHAPARRO: Okay.

CHAIRMAN DEGNAN: We found that with the Positive Traction Control -- or *Positive Train Control*, I think we call it -- we can push

more throughput, so more trains in fewer periods of time. That will be a modest contribution to the already-experienced congestion on the PATH stations.

We're in discussions with the City of Bayonne, now, about a proposal that they've advanced about increased ferry capacity across the Hudson from the property that -- the *MOTBY property*, as it's referred to -- that the Port Authority bought from the City of Bayonne several years ago; and I think that would be a constructive suggestion. We're in discussions with the operators of the ferry system, now, about whether we can find ways to enhance the use of that, and facilitate pedestrian access on the West Side of Manhattan. By that, we're investing a substantial amount of money in the Helix and the George Washington Bridge, which will enhance the ability to use those facilities.

And let me raise an issue about which I think there needs to be blunt discussion. The level of growth in Hoboken, in Jersey City, and other municipalities along the PATH station (*sic*), supposes that if they build it, the PATH capacity will expand to allow access by an increased number of residents. That's not on the plan.

ASSEMBLYWOMAN CHAPARRO: Right.

CHAIRMAN DEGNAN: There's no money for it. I think we need to consider, in those municipalities, tax increment financing, which would require that the developers and the people who profit from these large residential developments contribute funds to enhance the public's access to public transportation -- that is the very reason that adds value to their projects.

ASSEMBLYWOMAN CHAPARRO: Right.

CHAIRMAN DEGNAN: Without additional money, we'll find a way to come up with some money of our own to add to that. But without that, it's not likely to happen.

ASSEMBLYMAN WISNIEWSKI: Assemblywoman, are you finished?

ASSEMBLYWOMAN CHAPARRO: I just want to put on the record that Mayor Zimmer from Hoboken had said that if she has to relook at development, going forward, she would not approve such things because of the capacity that we have; we're at maximum now. So I think it's something that, of course, municipalities should look at and consider. It wouldn't be fair to keep developing and not take into consideration the impact. We want to alleviate what we have now; going forward, everyone should come to the table. And communication is key to make this a better system.

ASSEMBLYMAN WISNIEWSKI: Assemblyman Chiaravalloti.

ASSEMBLYMAN CHIARAVALLOTI: Thank you, Chairman.

Chairman Degnan, I appreciate all your time; and I appreciate you attending. You've actually talked about a couple of issues and projects that I want to ask you about.

But let me just address this issue of growth. I do think it's a conversation that needs to occur. But I also think we need to be cognizant of the fact that organizations like the Port Authority exist to provide the great vision -- right? -- to provide the infrastructure improvements that develop for what society needs 25 years, 50 years from now. And when we look at -- you mentioned the GW Bridge -- the capacity that was built in this region, by leaders in this region, that we continue to use today--

And one of my concerns, in general, about the way we use the Transportation Trust Fund, about the way the Port Authority uses its resources, is that I feel like we invest in projects that, by the time they're completed, are already outdated. And we can continue the discussion on growth at another time, but I think it is really a challenge -- both for this body, for this State, and for the Port Authority -- to understand its responsibility to outline that vision for where we're going to be a generation from now, two generations from now.

You have mentioned, though, three projects, all within my District, all of which I am looking for updates on.

Let's begin with the last one you mentioned, which is the ferry. I know that Mayor Davis' administration in the City of Bayonne has been working closely with the Port Authority on a couple of different issues. The ferry is, obviously, key to the City of Bayonne, because we have the Hudson-Bergen Light Rail, which is a great--

ASSEMBLYWOMAN VAINIERI HUTTLE: *Hudson Rail.*

ASSEMBLYMAN CHIARAVALLOTI: Oh, we want to get it up to Bergen, but, you know-- (laughter)

The Hudson-Bergen Light Rail, which has been a wonderful project for Hudson County. But in order to continue the growth of the Military Ocean Terminal -- we don't have direct access to New York; we don't have the benefit of any PATH station. Where are we with those discussions on the potential creation of a ferry terminal?

CHAIRMAN DEGNAN: So, great question, and perceptive observation.

There was a proposal made by the city, in rough outline.

ASSEMBLYMAN CHIARAVALLOTTI: Right.

CHAIRMAN DEGNAN: The Port Authority staff has completed its review of that, and is reaching out to the City, I think, as we speak, to ask for a follow-up meeting. We generally like the idea; we have a few concerns. One is that the presence of the ferry terminal on the property not impede its development for other beneficial uses, both for the City and the Port Authority. Secondly, since we don't have the funds for the capital plan, we just need to be sure that there's a funding scheme that would allow this to be built, mostly borne by the ferry operators, I would suspect, who will operate it.

And I don't know about the capacity on the New York side to take additional ferry landings, Assemblyman. But this is a helpful and constructive idea; I'm delighted that the Mayor has advanced it. And we're going to proceed with more than our usual expedition to get it--

ASSEMBLYMAN CHIARAVALLOTTI: I appreciate that, Chairman.

Let me ask you -- you mentioned the Bayonne Bridge project -- raising the height by 65 feet. You alluded to the fact that it should be -- I forget your exact phrase -- but basically, that it's going to be open by the end of the year. Obviously, this has been a project that I know the Port Authority-- Let me start out -- I know that you and your staff have gone to great lengths to answer the many concerns in the neighborhoods. I mean, this is a bridge that's literally built in people's backyards; and raising it 65 feet has had a negative impact on a neighborhood. And I know the Port Authority has had town hall meetings and community meetings, and continues to do that.

What's the timing, though, not only on the opening of the span; but my real concern comes on the back end, in the demolition of the existing bridge.

I don't know if Steve can answer that.

CHAIRMAN DEGNAN: If I can, let me let Steve answer that.

I might say, when I arrived at the Port Authority, I wasn't happy about the progress of the Bayonne Bridge. Steve was elevated to a position of Chief of Capital Projects, and took responsibility for overseeing the Bayonne Bridge erection, along with others.

So, Steve.

MR. PLATE: So a very timely question, Assemblyman.

In the next several weeks, we'll be opening up the first portion -- or basically, half of the bridge; I'm sure you're very familiar with it.

ASSEMBLYMAN CHIARAVALLOTI: Yes.

MR. PLATE: So that's going to be opening.

CHAIRMAN DEGNAN: This is the roadway.

MR. PLATE: The roadway.

CHAIRMAN DEGNAN: The roadway.

MR. PLATE: Roadway, okay?

ASSEMBLYMAN CHIARAVALLOTI: Okay. And that allows the traffic to--

MR. PLATE: On the new roadway, yes.

ASSEMBLYMAN CHIARAVALLOTI: Okay.

MR. PLATE: And it provides for all the modern widths of lanes; I could get into a lot of detail, but 12-foot wide lanes--

ASSEMBLYMAN CHIARAVALLOTI: No, that's fine.

MR. PLATE: --and shoulders, and things of that nature, with all the latest technology.

Following soon thereafter, what will happen is you'll start to see-- From mid-span out, you'll see the beginning of the demolition of the deck to provide for the navigational clearance. We're looking -- we're still on target for the end of this year, or -- the Chair is pressing to even do better, and we're looking at that. If you kind of figure out where we are with the opening in the next several weeks, that puts us in a very strong position to possibly do better; but that's yet to come.

ASSEMBLYMAN CHIARAVALLOTI: Okay.

MR. PLATE: The demolition-- That's the mid-span. Since these are your constituents, we've-- By the way, the Mayor, and his Council, and the neighbors have become family to us; they've been tremendously supportive.

ASSEMBLYMAN CHIARAVALLOTI: You know what they say about family.

MR. PLATE: What?

ASSEMBLYMAN CHIARAVALLOTI: You know what they say about family. (laughter)

MR. PLATE: No, they've been very good.

ASSEMBLYMAN CHIARAVALLOTI: Good.

MR. PLATE: They've been really good, and they're very supportive. And as a result of that, we've been able to pick up the pace dramatically, thanks to the Chair's support.

CHAIRMAN DEGNAN: And the bridge will be completed, altogether, by--

MR. PLATE: By the end of 2019.

ASSEMBLYMAN CHIARAVALLOTI: Okay.

MR. PLATE: By the end of 2019.

ASSEMBLYMAN CHIARAVALLOTI: Okay.

CHAIRMAN DEGNAN: And hopefully sooner.

MR. PLATE: Yes.

ASSEMBLYMAN CHIARAVALLOTI: Jim (*sic*), if I may -- and I know we're short for time -- but there's another project that I know is on the capital plan, in Jersey City -- the Greenville Yards project -- which, obviously, would have a tremendous impact on Exit 14A and the congestion issues at Global Terminals (*sic*). I know there was recently a groundbreaking.

The funding that's allocated in the capital plan -- does that fully fund that project? Is that -- yes? Okay. And what's the timing on that project? Where is it in the--

CHAIRMAN DEGNAN: I'm looking to Libby, because I think there is a schedule in this capital plan, which--

ASSEMBLYMAN CHIARAVALLOTI: Right.

CHAIRMAN DEGNAN: --project by project, has a timeframe.

MS. McCARTHY: I'm sorry; I'm just trying to find the right project.

ASSEMBLYMAN CHIARAVALLOTI: Sure.

MS. McCARTHY: If you can give me a moment.

CHAIRMAN DEGNAN: Could we look at that, and give it to you on the side?

ASSEMBLYMAN CHIARAVALLOTI: Yes, Libby, you can get back -- you can follow up with me. I just--

Chairman, just one last question -- that's not in the capital plan -- that I would like for you to consider.

One of the economic engines in Bayonne has been the cruise terminal at the former Military Ocean Terminal; and with World Caribbean as an anchor tenant, on property that you now own. And it's had a positive economic impact on the local economy.

I would appreciate it if -- as we move forward with this blueprint -- we look at opportunities to expand and improve that second berth so that we can improve the number of cruise ships that could be handled on that site. I know it's not in the current plan, but I think it's a good market; I think it's been a good economic engine for the City of Bayonne, and I know we'd like to pursue it.

Thank you, Chairman.

ASSEMBLYMAN WISNIEWSKI: Thank you very much.

CHAIRMAN DEGNAN: Thank you.

ASSEMBLYMAN WISNIEWSKI: Assemblyman Clifton.

ASSEMBLYMAN CLIFTON: Thank you, Mr. Chairman.

CHAIRMAN DEGNAN: Could we just-- There is an answer to--

MS. McCARTHY: So the Greenville program is in the plan, and is expected to be completed -- essentially completed in the first five years of the plan.

CHAIRMAN DEGNAN: The first five years.

ASSEMBLYMAN CHIARAVALLOTI: The first five years; okay.

CHAIRMAN DEGNAN: As to the second part of your question, we'll get back to you.

ASSEMBLYMAN CHIARAVALLOTI: Sure.

ASSEMBLYMAN CLIFTON: Mr. Chairman, thank you.

Many of my constituents in Monmouth and Ocean -- besides using the rail line, the bus line is critical to them. So I want to just jump back to the bus for a minute.

With the expansion and the growth in those two counties of residents moving in, the demand on bus service is going to increase dramatically. With this long build-out time for the new Terminal, as well as, now, this additional hurdle of this environmental review that New York is asking for, how are you going to make sure that, once this is completed, it's not already obsolete? How are you planning to deal with capacity farther down the road?

CHAIRMAN DEGNAN: I believe that the projected growth and capacity that we're operating on -- 337,000 peak-hour riders by 2040 -- includes expected growth from Monmouth and Ocean counties in New Jersey.

But to Steve's point -- that we should build the Bus Terminal in a scalable and modular way during the period that it's going to take us -- which is way too long to build this facility -- it looks like we've been too conservative in estimating it. Hopefully, there will still be time to adjust the scale of the building to accommodate that increased demand.

ASSEMBLYMAN CLIFTON: All right; thank you.

Thank you, Mr. Chairman.

ASSEMBLYMAN WISNIEWSKI: Thank you very much.

Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Chairman Degnan, who is the current Executive Director of the Port Authority?

CHAIRMAN DEGNAN: Pat Foye.

ASSEMBLYMAN GIBLIN: Is he in transition?

CHAIRMAN DEGNAN: No; he is still serving as Executive Director of the Port Authority. He would have been here today, I think, Assemblyman, but he's in Washington at a series of meetings.

ASSEMBLYMAN GIBLIN: Okay.

How are the finances of the Port Authority, in terms of these projects that you're presenting here today? You said-- Are there some contingencies, as far as funding is concerned, to complete them?

CHAIRMAN DEGNAN: Libby has made it clear to us -- as have our rating agencies and our bond holders -- that we need to develop a capital plan -- and it would be important to me anyway-- that's in balance between its anticipated expenditures and its anticipated revenues.

There may be a need to make adjustments during this 10-year capital plan. It does not include any increase in tolls for bridges and tunnels. But in all likelihood, if the Bus Terminal is moving forward, the amount we charge for busses to come into the Terminal is going to have to increase. A question could be raised as to whether the PATH fares need to have some COLA adjustment, once PATH begins to deliver a level of service that would justify it.

There are other things like that, that -- in all honesty -- may need to be considered over the next 10 years, but are not currently, explicitly, laid out.

ASSEMBLYMAN GIBLIN: Does the Port Authority have a program, as we speak, about selling assets? I mean, I noticed that somewhere in one of the reports about unloading some properties, there was some speculation on that in years past.

CHAIRMAN DEGNAN: It was a recommendation of the Special Panel Report -- that I helped write in 2014 -- that the Port Authority get out of the business of owning and leasing real estate.

It's proven to be more difficult than I naively thought could be done. I'd sell the World Trade Center tomorrow, if I could. The reality is, that the World Trade Center now, finally, after this huge expenditure of funds -- by the way, for a facility that's located in the state of New York, and benefits the New York economy relatively more than it does the economy of New Jersey, but nobody argued 50-50 parity at the time -- excuse the editorial comment -- it produces revenue over the next 15 to 20 years. So that if we sell the building today for X dollars, we lose those revenues over the next 15 to 20 years. The reality is, Assemblyman, that those revenues probably produce bonding capability, by allowing us to pay debt service that exceeds, in benefit, the amount we would get by selling the building today.

That's just one building. There are other properties, though, that we ought to sell; and have sold several during the last 12 months. And we do have a task force within the agency identifying property that could be sold. Red Hook in Brooklyn is a great example of a property that's now no

longer indispensable for Port usage; it has tremendous development capability, and we're looking at projects like that to sell. The more we can sell, the better off we are -- without cutting off a revenue source.

ASSEMBLYMAN GIBLIN: We had to pay a fine because of the reallocation, I guess, of resources with the completion of the Pulaski Skyway. Did we pay that fine yet? It was pretty significant.

CHAIRMAN DEGNAN: I believe we paid it; it was \$400,000. Compare that to the \$1.8 billion that's being funded through the Port Authority for the Pulaski Skyway rebuild. Frankly, it wasn't a slap on the wrist; it was a bend of the pinkie.

ASSEMBLYMAN GIBLIN: Okay; that's a good way of putting it.

What is the status of the Pulaski Skyway now? Is it -- completion date?

CHAIRMAN DEGNAN: I don't know. That project is not being done by the Port Authority; it's being done by the New Jersey Department of Transportation. We're simply providing the funds, up to \$1.8 billion.

ASSEMBLYMAN GIBLIN: Okay; excuse me.

Okay; thank you.

CHAIRMAN DEGNAN: We've spent \$800 million to date, Assemblyman.

ASSEMBLYMAN WISNIEWSKI: Assemblywoman DeCroce.

ASSEMBLYWOMAN DeCROCE: Okay; thank you, Mr. Chairman.

And thank you, Mr. Chairman, and your staff with you. You've been very informative. A lot of the questions I have you already answered.

So I only want to touch on three.

And first of all, I want to say to you, I'm very disturbed over the proposed expansion of the Bus Terminal and New York's attitude. Because let's face it, if the expansion takes place, number one, that's going to mean a workforce that can go into New York at a greater depth. So they're going to make money anyway. So what they're saying makes no common sense, and it hurts both sides. And to me, that's just playing politics, and they need to stop that.

And I also believe -- and I am a proactive legislator that-- It's a shame you can't put the full amount in the proposed capital budget. Because that makes sense; that's being proactive. That's looking at a depth and an extent that the growth -- as some of my Assembly colleagues have talked about -- we would be able to address in this day and age, and going forward. So I think that's kind of disgraceful; and it seems like we're being held for ransom over here by the City of New York and the state of New York. And I'm appalled by that, number one.

Also, I wanted to talk about -- and my Assembly colleague touched on the property inventory. I did ask for the property inventory list for the Port Authority, and I looked at it in great depth. And yes, all the raw property and all the buildings that the Port Authority owns -- I'm glad to hear that you're taking a true look at that, and there is a commission or a committee that is evaluating what you should dispose of.

But what I'm thinking, in my eyes, is whatever is looked at to sell off, those monies should only be able to be used in capital projects and

not go into any operational budget. And I think that's extremely important that we protect that money, and that we use it to pay down any debt for any expansions that we're looking at, and talking about, and going forward.

CHAIRMAN DEGNAN: That's a great point, Assemblywoman.

It actually is required by our bond covenance--

ASSEMBLYWOMAN DeCROCE: Good.

CHAIRMAN DEGNAN: -- that any property used to secure the debt service, if it's divested, has to be spent on additional capital projects.

ASSEMBLYWOMAN DeCROCE: I'm glad to hear that.

One other thing -- when we talked about the Bus Terminal, and my colleagues talk about down south in Monmouth County. I live up in Morris County; I go all the way up toward the Sussex border, and I go all the way up into West Milford, which is Passaic County. I am a part of Essex too, but-- I'm hoping, with the expansion in the bus routes that are there-- You talk about growth, and you talk about that there was a ridership study done. But the growth of Sussex County, Warren County, the western part of Morris County is stunted by the fact that we don't have ridership availability. There aren't enough buses, there isn't enough mass transit -- which some of my colleagues, here, we talk about the Lackawanna cutoff, all the time, that goes up into Sparta.

But believe me, that area of the state -- because of the Highlands, too -- is constricted. But the traffic is horrendous coming down out of there -- trying to get to Jersey City and Hoboken, where they live up in Sussex and Warren, and they're trying to get down. So I'm hoping, with

any expansion, that you look at the routes that way. Because if you're looking at the growth that's there now, and the ridership, you're still not looking at what, potentially, could be more westward in growth -- because there is no access to mass transit. So it stunts the growth out there; and the values of the properties are diminished for the owners out in that end of the state. So I'm hoping that you keep that in mind.

And one other question that I have -- when you talk about the Bayonne Bridge and the end of the year -- what is the status of Port Newark and Port Elizabeth with the dredging? Because I know that's important to bring the ships in, as well.

CHAIRMAN DEGNAN: The dredging project is essentially completed--

MR. PLATE: It's completed.

ASSEMBLYWOMAN DeCROCE: Okay.

CHAIRMAN DEGNAN: --about three months ago, with the help of the Coast Guard and the Corps of Engineers. And that was an important project to allow Port Newark to continue to prosper.

ASSEMBLYWOMAN DeCROCE: Well, I sit on Commerce and Economic Development, like some of my colleagues, and we've been talking about this for a long time, because we did not want to lose those large ships to our other neighboring states. So I know I'm very happy about that, and I'm sure they are too.

So thank you so much for your testimony today.

CHAIRMAN DEGNAN: Thank you.

ASSEMBLYMAN WISNIEWSKI: Assemblywoman DeCrocce, thank you.

Speaker Emeritus Oliver.

ASSEMBLYWOMAN OLIVER: Thank you, Mr. Chairman.

Good afternoon, everyone.

I'm sorry that I was not here when you first began your presentation. But specifically, I wanted to know about -- it's on today, it's off tomorrow, on today -- the South Ward project. So it's back on, is what I understand. It's projected to -- what? -- begin in 2020?

MR. PLATE: That's correct.

ASSEMBLYWOMAN OLIVER: And we're projecting that it will be a six-year buildout, and maybe be done by 2026. Is that correct?

MR. PLATE: That's correct.

ASSEMBLYWOMAN OLIVER: What is the total cost of that project?

MR. PLATE: It's \$1.7 billion.

ASSEMBLYWOMAN OLIVER: And what projections and market analysis have you done at the Port Authority, in terms of what we can anticipate with growth expansion of ridership?

MR. PLATE: Right now, we've done some very preliminary work. But actually, in the near future, once this is authorized by the Board, we would go into a full-blown study by all the experts. And you would be an integral part of that, working closely with the Mayor, as well as the Senators who have been involved.

ASSEMBLYWOMAN OLIVER: So while it's incorporated in the plan, the Commissioners have not yet approved, or appropriated, or given the nod.

MR. PLATE: Well, that will happen--

CHAIRMAN DEGNAN: That's correct; we have not yet done that.

MR. PLATE: No.

ASSEMBLYWOMAN OLIVER: And what's the game plan?

CHAIRMAN DEGNAN: The game plan is -- there's a process that we've laid out in the initial testimony, Assemblywoman, which we call the *gating process*--

ASSEMBLYWOMAN OLIVER: Yes.

CHAIRMAN DEGNAN: --in which the Port Authority Board has to authorize successive stages of a project, based on the updated studies and information that's available.

As you know, there are at least a couple of Commissioners who have raised serious doubts about the validity of the PATH-to-Newark extension. They've asked -- I think it's a fair one -- for more detailed information about ridership, and expense, and how much of the costs we'll be able to recapture. And that project will not move forward unless, after the delivery of that information, the Board elects to move forward with it.

ASSEMBLYWOMAN OLIVER: All right; thank you.

I'm glad the real estate issues were addressed, because that was something that was of importance to me -- unloading some of that real estate.

I want to ask about technology. I heard, Chairman, you said that you have 50 -- the acquisition of 50 new cars. And you know, when you read about mass transit intermodal transportation in Europe, you look at such highly technical creations that give you more speed, that give you more passenger capacity. Going forward, are there discussions at Port

Authority about its fleet? I know when I stand on a platform in Newark and I see people crammed in those cars like sardines, I often think to myself, "Can't we address a different type of design, going forward, with the vehicles -- with the trains that we acquire?"

CHAIRMAN DEGNAN: So, that's a great question.

There are two projects that could enhance capacity on PATH. One is included in the capital plan -- and that's the purchase of the 50 additional cars that you've suggested; which is allowed now by the Positive Train Control project, which is almost done, which will allow us to move trains faster.

If we expanded the platforms -- it sounds simple -- that would allow longer trains to come in, that would increase capacity as well. That is not in the capital plan at this time.

If technology were to provide solutions, going forward, we're always looking at that. And the reason I was so careful to say that this is a blueprint, is that if better ideas evolve over the next two to three years that give us an increased potential to enhance capacity on PATH, we will look at that. And we retain the right to say, "That's more important than building X. So let's defer X, and move forward with that."

ASSEMBLYWOMAN OLIVER: Got it.

And the bridges and the tunnels -- where are you in terms of the capital plan: upgrading, retrofitting, replacement. Sometimes I worry that our trains are going to dip down into the Passaic River -- those rickety, 100-plus-year-old bridges. What's going on in your thinking at the Port Authority with those bridges?

CHAIRMAN DEGNAN: Well, the first phase of the Gateway Project, essentially, includes improvements from Penn Station Newark to Penn Station New York City, but not south of Penn Station. We've done our part in that; we're financing \$2.7 billion of the cost. We need the Federal government to step up and make commitments with respect to its share; and, frankly, we need the two states to find additional funds to contribute.

The original proposal that Governor Christie had caused to be advanced -- and without his intercession, we wouldn't be where we are today -- was that the states come up with the 50 percent local share -- either themselves, or through the Port Authority in part -- and that the Feds would come up with the other 50 percent. It's time to put the money on the table.

ASSEMBLYWOMAN OLIVER: Got it.

CHAIRMAN DEGNAN: Ours is on.

ASSEMBLYWOMAN OLIVER: All right.

And just one last question. Lessen my anxiety -- that it's just an annual dance of the media that, every year, I have to read about the top 100 overtime recipients at Port Authority. Is that just an exercise in journalism; or is there something we can do, in terms of expanded capacity, for your security ranks over there so we don't have to read that every January?

CHAIRMAN DEGNAN: I wish I could say that the journalists were being unfair; they're not. (laughter) They accurately report the 100 top earners at the Port Authority, many of whom make more money than

our Executive Director makes. All of them make more money than I do; which is easy to do, since I'm paid nothing. (laughter)

The question is a complicated, frustrating one. There is a task force within the management of the Port Authority that has made some inroads; the Police Department has successfully reduced overtime by increasing the number of officers in the force and having new recruiting classes. But it continues to be a high priority matter for the Board; although I have to admit, it's frustratingly difficult to tackle.

And the last point I would make is, there used to be a system in which everyone end-loaded their overtime to increase their pension payments under the New York Public Employees Retirement System, which is what the Port Authority Employees suffer by. Thanks to legislation in New York, that is no longer the case for most of our employees, because there's a cap on how much you can lift your pension by having overtime. But I'm not satisfied with where we are.

ASSEMBLYWOMAN OLIVER: Okay; thank you very much, Chairman.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Assemblyman Moriarty.

ASSEMBLYWOMAN VAINIERI HUTTLE: Good questions.

ASSEMBLYMAN MORIARTY: Thank you, Mr. Chairman
Thank you for being here today.

I just want to talk a little bit about this \$32.2 billion over 10 years. That's a whole lot of money. What percentage of that will be borne by the people using those facilities; what percentage would be paid for by

taxpayers; how much would be bonding? How does that break out, and how much more are you going to be asking people to pay in the future?

CHAIRMAN DEGNAN: Those are big questions.

Directly, by the taxpayers of either state, nothing; the Port Authority was enacted to be self-sustaining and to eat what we kill, in the sense of we have to raise the money to fund the projects that we do. Indirectly, taxpayers in New York and New Jersey pay bridge tolls and tunnel fees. But there is not expected to be any increase in this 10-year capital plan in revenues that are raised from tolls over bridges or tunnels.

PATH--

MS. McCARTHY: (off mike) (Indiscernible).

CHAIRMAN DEGNAN: I'm sorry?

MS. McCARTHY: (Indiscernible)

CHAIRMAN DEGNAN: Except for those adjustments that are already contained in law. I think there's a COLA adjustment every several years, of a very modest nature.

The PATH operates at about a \$300 million a year annual loss. The Port Authority Bus Terminal operates at about \$100 million a year annual loss. The Port Authority is able to divert funds raised by tolls, and airport fees, and other revenue raisers to support mass transit; but that's part of the purpose of the Port Authority. And in 1960, when New Jersey agreed to let the Port Authority build -- the 1960s -- the first World Trade Center, New York agreed to take on the cost of PATH.

Over time, I believe some modest increases in fares on PATH and some increases in bus utilization fees at the Port Authority will be

enacted within this 10-year capital plan -- all subject to public hearing, and review, and requirements.

I don't know if that's fully responsive to your question, but I hope so.

ASSEMBLYMAN MORIARTY: No, that was great.

Is there a tipping point where fares become so high that people stop using the public transportation?

And also, when it comes to the airport -- I mean, you know, I've checked on some flights going overseas and elsewhere -- where the actual flight costs so much less than the taxes, and landing fees, and all of the add-ons combined. I was recently checking on a flight to London, and I think the fees for two people, round trip, were over \$900. The actual flight was fairly cheap. I mean, this impacts consumers in a big way -- these fees and these taxes, and so forth.

And certainly I'll listen to your answer, but my original one was, is there a tipping point; and what do you know about that?

CHAIRMAN DEGNAN: I think the answer on tolls is "yes." The Port Authority did not -- for at least a couple of years after increasing the tolls on the bridges and tolls -- reap the increased revenues -- all the increased revenues it projected to do so. Part of that was probably driven by the economy in 2008; there was a reduced amount of traffic over the tunnels, particularly in trucks, because the economy was generally slowing down. But I think we proved, in that process, that there is a supply-and-demand characteristic on tolls. You can't increase them so much without inducing people to stop using them and look for alternative ways to cross.

Now, we've regained some of the momentum on those increases as the economy has improved. But yes, I think there is a limit on what you can charge and just expect people to pay. And we need to be cognizant of that; we need to plan to it. We can't assume we have a piggybank that, simply by increasing tolls, will allow us to do more projects.

On mass transit fares -- I don't know, at this point, whether there's that tipping point. I suspect there is, although people who use mass transit, I think, are much more captive to the mode of transportation than drivers are; I think that's true. So I don't know the answer to that question. I don't know if anybody here has any insights into that.

ASSEMBLYMAN MORIARTY: Thank you very much.

ASSEMBLYMAN WISNIEWSKI: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Thank you, Mr. Chairman.

This is my first meeting on this Committee, so I didn't anticipate that I'd have anything to say.

ASSEMBLYMAN WISNIEWSKI: First question at your first meeting. You're jumping right in. (laughter)

ASSEMBLYMAN DiMAIO: Somebody told me that wasn't a very good idea, early in my career. (laughter)

ASSEMBLYMAN WISNIEWSKI: Ah, perfect. (laughter)

ASSEMBLYMAN DiMAIO: I'm going to have more of a statement, then maybe a little bit of a question at the end, with regards to the expansion of the Bus Terminal.

It seems to be a common theme here today; it affects most of the northern part of the State of New Jersey, along with down the Shore. I live in Warren County -- as the Assemblywoman mentioned earlier -- and

most of our people drive to work. And that is not a good thing. There is not a bus service; there's not enough capacity for the buses when they land. So it would seem to me that this is the best transitional measure to increase capacity -- to get the highly skilled workforce from New Jersey into the City, to support their economic engine.

It just amazes me that the thought process is to take money from other places by the folks in New York. Because at some point in time, some of these businesses may decide that it's easier to come to eastern New Jersey and locate their businesses; because I imagine the PATH trains coming from New York to New Jersey are empty in the morning, as well as it's easier to get to other parts of the state -- to parts of New Jersey.

Along with that, the long-term measure of more tunnels would be easier to implement later if you have the Bus Terminal and capacity built up as a transitional measure for now. Just a common sense position.

But I think we'll see some businesses leave New York, if your folks on the Board don't start thinking a little more along those lines.

CHAIRMAN DEGNAN: The Board is there, Assemblyman. I urge you to write a letter to Governor Cuomo.

ASSEMBLYMAN WISNIEWSKI: Are you finished, Assemblyman?

ASSEMBLYMAN DiMAIO: Yes, thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Chairman Degnan, thank you.

What we can do now is to have your last--

CHAIRMAN DEGNAN: Catherine, why don't you take it, if you can--

MS. CRONIN: Yes, I can--

CHAIRMAN DEGNAN: This is really an exciting project.

MS. CRONIN: Yes.

ASSEMBLYMAN WISNIEWSKI: Okay.

CHAIRMAN DEGNAN: I'd love you to see it; but 5 minutes, 10 minutes?

MS. CRONIN: Yes, and I'm good at whipping through it, hitting the highlights for you.

ASSEMBLYMAN WISNIEWSKI: As long as you promise to stay, so if there are any questions--

CHAIRMAN DEGNAN: I will.

MS. CRONIN: I'm Catherine Cronin; I'm the program Director for Redevelopment at Newark Airport. I've been at the Port Authority since 2008. Prior to that, I had 20 years of experience with public and private agencies, delivering transportation projects worldwide.

So I'm going to talk to you today about Terminal A, the redevelopment. As our Chairman said, it's very exciting; I'm very happy to be leading this.

The existing Terminal A -- as any of you who have gone through the airport know -- is a bit outdated. It was built in 1973, when air travel was a very different thing.

Air travel, now, is actually a mode of commuting for most middle-class people. I know before I came to the Port Authority, I'd probably do two or three trips a week through Newark, just to maintain my job. And I know a lot of people who do that.

Unfortunately, the current Terminal A was built for about 9 million annual passengers. In 2015 and 2016, we topped 10 million annual passengers. I don't have to tell you that the design of the Terminal was not made for the current security measures that we have. If you look at your second slide that you have in your deck, those pictures were taken on a normal day; nothing was going on, there's no unusual operation there. It's just that's where people have to queue. And so it becomes very, very crowded in Terminal A, at any time.

The new terminal, however, is going to be designed to have ample, open clear light; 18 security lanes to come through -- that is very flexible. They can be used for security in the event that the security technology changes; it can be downsized. But it's going to also allow for hold rooms that can be merged; hold rooms that allow for concessions to be brought to passengers.

I think one of the things we're really focusing on, as we build the new Terminal A, is the passenger and the passenger's experience, and making that journey through the airport as pleasant as it can be.

The program has four main elements. We have the Terminal itself, but we also have airfield work that's going to have to happen with that. It's 140 acres of paving that will happen at the airport.

There will be roadways that will have to be built, because the new Terminal A will be built off to the south of the current CTA area. And that will be done through four different contract packages.

We're going to be building a new parking garage to accommodate the people using Terminal A, with about 3,000 spaces in it.

And the Terminal itself will include building a frontage road right in front of it, and a pedestrian bridge.

If you look at the picture over at the left of you, you can see a parking garage over the ditch, and a pedestrian bridge that walks over it. It's about 70 feet the people will have to traverse, coming into the Terminal area. The Terminal itself is 33 gates. It is expandable in the future -- to come out to where the current Terminal A headhouse is, and build another 12 gates when that need arises.

And that's a view of the Terminal, looking from the parking garage; with the pedestrian bridge that has to be built, going over the peripheral ditch.

And a lot of work went into making sure there's a lot of open space inside the Terminal, so that when people are inside they feel at ease, and not crowded and rushed; as well as a natural way-finding, for people to just see where they should be going; with sights to the planes through the Terminal building itself.

The program, as was mentioned, is \$2.3 billion to \$2.4 billion. It's about a million-square-foot Terminal. It will service 13.6 million annual passengers, but is expandable to 19.6 million. So your point of not building programs that are good for when we're done with construction, but are good for the future, is something we're looking at.

One of the major efforts that went into this concept planning is flexibility for technology. I don't think anybody sitting here today can tell you what our check-in process is going to be like in 10 years. The rate of the changes that are happening to the technology are exceeding how fast people are putting out the technology, so we're making sure that the design

itself has a lot of clear stories under the floor, a lot of infrastructure grids that can be changed; so that as kiosks come and go, and people self-bag-- There's a lot of talk about permanent bag tags being built into the bags that you buy in the future. You won't need to do a lot of those same things that we do today, but the Terminal will still be able to service those people.

The program is going to be completely LEED Silver, to make sure we have sustainable items included in it -- green walls, etc.

The current implementation plan is building off of work that we began a few years ago on an infrastructure relocation and upgrading. At that time, we had the vision of Terminal A being rebuilt, and we knew it would have to come to the south portion of the airport. So with that in mind, we started to clear the site. This is going to allow us to have a somewhat aggressive schedule, where we have statements of qualifications from terminal builders that came in this month, and we anticipate being able to open 22 of the gates in the new Terminal by 2020. The full Terminal will be open in 2022.

The very initial contract that is specific to Terminal A is actually going to be awarded this month; for three new bridges that are going to BE built to access the roadway from the central terminal area we currently have, coming out to the new terminal area. So construction on those will actually break ground this summer.

In addition, you'll see a lot of activity around getting construction management services on, design firms on for the rest of the program. And in April, we'll be hosting a WBE/DPE disadvantaged business conference to make sure that once we have the larger contractors

on board to build the Terminal, we can connect them with the local vendors and contractors that are here.

The program itself will be a huge economic driver for New Jersey; we're very excited about it. It's 9,000 job years; \$600 million in wages will be generated; and \$3.3 billion in economic activity over the timeframe. And as I said, we're starting now with some of the roadway work, and construction will be complete in 2022.

So there you go; it was a little fast, but-- (laughter)

CHAIRMAN DEGNAN: Thanks Catherine.

MS. CRONIN: I don't think I breathed.

ASSEMBLYMAN WISNIEWSKI: We certainly appreciate it.

Anyone have questions?

ASSEMBLYWOMAN DeCROCE: One question.

ASSEMBLYWOMAN OLIVER: I have some.

ASSEMBLYMAN WISNIEWSKI: Yes, Assemblywoman DeCrocce, and then Assemblywoman Oliver.

ASSEMBLYWOMAN DeCROCE: And this is just--

You know, I don't know what's going on with all the construction at Newark Airport, because I fly out of there quite often.

MS. CRONIN: Yes.

ASSEMBLYWOMAN DeCROCE: But is there going to be a cell phone waiting lot there, sooner than later?

MS. CRONIN: There is currently-- Yes, there is currently a cell phone lot that you can go to. Because of the construction -- PSE&G actually has a \$400 million investment going in, for a new switching station

in the area where the old cell phone lot was -- it's been relocated. We're also in the process of building a more permanent cell phone lot; yes.

ASSEMBLYWOMAN DeCROCE: I think that's awesome; because I know at any other airport in other states, they utilize them; and they're wonderful, because it frees up the traffic going through the terminal itself for people to wait for the proper time to go in.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Speaker Emeritus Oliver.

ASSEMBLYWOMAN OLIVER: Yes, I just wanted to commend Ms. Cronin for your great presentation; and you flipped the pages phenomenally with that sling on your arm (laughter); and I am very impressed with you.

But it was great. I'm glad you made mention of WBE, because, you know, representing towns in Essex -- that has been the proverbial complaint, going back 40 years, about Port Authority.

I do know, through the years, the Port Authority has worked with the New York/New Jersey Minority Purchasing Council; you've done a lot of things. But I think it is incumbent upon us, with the commitment and expenditure of the billions of dollars that we are talking, for us to move into the reality of identifying women- and minority-owned businesses to participate.

And, you know, I don't know these days what your office looks like, in terms of the office that focuses on inclusion in your procurement and contracting. But I do know if you were to talk to people -- like the African American Chamber of Commerce, and some of the other advocacy groups -- they do not feel pleased with the record of the Port Authority,

with the inclusion of women and minorities, in terms of the business that you do.

So I hope that you will work with partners that are out there -- throwing stones at your glass tower -- about this issue, to make some movement.

MS. CRONIN: Yes.

ASSEMBLYWOMAN OLIVER: Because it is kind of disingenuous to many people in New Jersey -- who are footing the bill for tolls, and other kinds of fees -- that they don't see representation of their community in the work that is done.

And then, the other thing that I would just like to comment on is -- it's a great plan for Terminal A; we have a lot of work that has to get done at the airport. But I think, given all the constraints -- even though they always give us, in Newark, the worst on-time record -- I do think you run a great operation out at Newark Airport.

MS. CRONIN: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Assemblyman Chiaravalloti.

ASSEMBLYMAN CHIARAVALLOTI: Yes.

Ms. Cronin, thank you.

Just one question; I'm trying to look at this schematic. First of all, Chairman, I agree with you. It's an exciting project for the region, not only for Newark and New Jersey.

As you bring on the new Terminal, there looks like a point where you're going to bring on about half of it.

MS. CRONIN: Correct.

ASSEMBLYMAN CHIARAVALLOTI: Is there any period where capacity is diminished? Like, is this (indiscernible) diminished?

MS. CRONIN: No. We're very fortunate that the southern portion of the airport has a site that allows us to build and get 21 to 23 gates open, move A1 and A2 folks -- is probably, the way it will go -- over to that southern portion; come back; demolish those two concourses; finish the paving on the north portion; and then move the folks from A3.

So the whole goal of this program -- when we looked at, for years, whether we should be building on top of what we currently have, building new, restoring -- was to make sure that we were able to maintain operations with as minimal disruption as possible, because it is already such a congested airport.

ASSEMBLYMAN CHIARAVALLOTI: Thank you.

MS. CRONIN: You're welcome.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Final question -- two questions, Chairman.

You mentioned the Helix in your presentation, and we didn't really get into that. There's been some controversy about the construction of an expanded Helix by the mayors and local officials in Hudson County on how that would impact their communities. Can you address how the Port Authority proposes to take into account their concerns?

CHAIRMAN DEGNAN: Well, I know I've attended, I believe, two meetings with Mayor Turner and other representatives of Hudson County; Mayor Zimmer has been, I think, at one of them.

There is a working group between the Port Authority and the local public officials in which we're meeting -- I believe he would confirm --

Mayor Turner's suggestions that we not present them with a *fait accompli* plan to which they will react; but instead, work with them to devise a plan that will minimize the disruption. It is unavoidable, in part, to the residents of those municipalities, but I think the Port Authority is doing it right this time.

ASSEMBLYMAN WISNIEWSKI: The ultimate issue with the Helix expansion is you're essentially expanding the right-of-way. You need additional space to provide additional travel lanes, or additional capacity for those lanes, correct?

CHAIRMAN DEGNAN: That's correct. We'll be widening the lanes from 10 to 12 feet, although I don't think we're actually putting on an additional lane.

ASSEMBLYMAN WISNIEWSKI: I thought there was a breakdown lane, or a shoulder.

MR. PLATE: Just a shoulder.

CHAIRMAN DEGNAN: What?

MR. PLATE: A shoulder.

Ms. Cronin: A shoulder.

CHAIRMAN DEGNAN: A shoulder -- but a shoulder; yes.

ASSEMBLYMAN WISNIEWSKI: Right; okay.

And so, ultimately, their concern was taking additional space; you need the additional space, and so you have to figure out how to accommodate their concerns and accomplish your goals.

CHAIRMAN DEGNAN: That's correct.

ASSEMBLYMAN WISNIEWSKI: Is there any thought on how that gets done, or is it still too early to--

CHAIRMAN DEGNAN: Again, I can't answer that question specifically. It's a fair question; I'm just not prepared to answer it. The last time I talked to Mayor Turner, though, he seemed satisfied that we were meeting our obligation of working through a proposal which would be satisfactory to them. If not, I'd like to know what--

ASSEMBLYMAN WISNIEWSKI: Okay; well, I know that I had heard from Mayor Turner, when the process started--

CHAIRMAN DEGNAN: Yes.

ASSEMBLYMAN WISNIEWSKI: --and I just wanted to make sure that the local officials were being listened to with regard to that Helix expansion. We, obviously, need it; but in all of these projects, we have to address local concerns while making improvements.

CHAIRMAN DEGNAN: Exactly. It's very hard not to listen to Mayor Turner. (laughter)

ASSEMBLYMAN WISNIEWSKI: One final question-- Absolutely, absolutely.

One final question. There recently was a tragic fall at the Oculus. And I've read some accounts in the newspapers that suggest that, perhaps, the railing height -- or there are some other issues that need to be addressed. Is there a safety issue with regard to the escalators at the Oculus?

CHAIRMAN DEGNAN: I don't know, sitting here today. I do know that it will be the discussion in the Security-- There will be a discussion about it in the Security Committee of the Port Authority Board tomorrow; and the Chief Security Officer and others will be elaborating on it.

I, frankly, don't even know, precisely, the circumstances of the fall and what caused it.

ASSEMBLYMAN WISNIEWSKI: Correct. I don't either. I just know I've read some accounts, and have heard from some commuters who have asked me whether or not there is a safety concern with the escalator. And I just wanted to raise that, that if there is some movement on that, or some discussion, I'd appreciate it if you would share that with the Committee.

CHAIRMAN DEGNAN: We will.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Speaker Emeritus Oliver.

ASSEMBLYWOMAN OLIVER: Yes, Mr. Chairman; I promise this is it.

But I had to do a commercial for the disparity in pay with the Newark Airport and the New York airports. And I know it's been a big hullabaloo amongst the Commissioners.

But as a representative of people who work there, I certainly have to put on the record that is unfair that airport workers in New York earn a differential; as opposed to the workers at Newark doing the same job. And this is on the Commissioners; it's not for any of you sitting at that table. But let's take the high road and work towards parity in pay for airport employees at Newark.

CHAIRMAN DEGNAN: Just so it's clear, these are not Port Authority employees.

ASSEMBLYWOMAN OLIVER: I know.

CHAIRMAN DEGNAN: These are employees of the -- principally, the airlines--

ASSEMBLYWOMAN OLIVER: Yes.

CHAIRMAN DEGNAN: --who hire subcontractors to do the cleaning services, and some of the wheelchair movement, and things in the facility. The New York workers are paid more because the New York law has an escalating increase towards \$15 over the next several years, with which we must comply. New Jersey does not have that law. I don't have the statutory authority, in my judgement, or the standards or guidelines to decide what should be mandated as an increase. But I would welcome legislation to clarified that.

ASSEMBLYMAN WISNIEWSKI: Thank you for raising that; I appreciate it.

Chairman, your team, thank you very much for participating. I wish we had more time; I know you have to leave. I know we have to leave, because we have a voting session. Hopefully, we can continue the discussion in the future.

CHAIRMAN DEGNAN: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you.

(EXCERPT CONCLUDED)