

STATE OF NEW JERSEY

GOVERNOR PHIL MURPHY

PORT AUTHORITY BOARD APPROVES PROPOSED MINIMUM WAGE INCREASE FOR THOUSANDS OF AIRPORT WORKERS

From the Port Authority of New York and New Jersey:

Proposal Would Raise Minimum Wage for All Workers at JFK, LaGuardia and Newark Liberty to \$19/hour by 2023; \$2 Increase for Workers at Newark This Year

60-Day Public Comment Period to Begin in Early April and Conclude in Early June Ahead of Final Vote

Raising Wages Improves Security by Reducing Turnover and Allowing for Better Training – Complements Initiatives to Transform and Modernize Airports

The Port Authority's Board of Commissioners today approved a proposed expansion of the minimum wage policy at JFK International Airport, LaGuardia Airport and Newark Liberty International Airport that will benefit thousands of airport workers. The policy will align the wages of workers at the three airports and raise their minimum wage to \$19 an hour by 2023. Following the vote, a 60-day public comment period will begin in early April and run through early June to determine if any modifications to the draft proposal are warranted. The Board is then scheduled to take action on the proposal at its June 28, 2018 meeting.

Expanding on the policy originally adopted in 2014, the revised minimum wage requirements apply to all workers, regardless of employer – many of whom are contractors or subcontractors to the airlines, terminal operators, and master concessionaires. Under the new measures, workers at Newark would see their wages increase from the current \$10.45 to \$12.45 as of September 1, 2018 and to \$15.60 by September 1, 2019 – at which point they would be equal to the those of workers at JFK and LaGuardia. Workers at the two New York airports currently earn a minimum wage of \$13.00 in line with State's minimum wage law, enacted by Governor Cuomo in 2016.

This increase complements the Port Authority's plans to overhaul all of the region's pre-eminent airports, with construction already underway to create a new LaGuardia Airport with a unified terminal system and revamped roadway network and the recent award of a design-build contract for a new Terminal One at Newark Liberty International Airport. Governor Cuomo and the Port Authority of New York and New Jersey, which operates Kennedy and LaGuardia airports, have based the framework for changes at the New York airports on the recommendations of the Governor's Airport Advisory Panel, which was tasked with developing comprehensive best practices for ensuring these busy airports remain at the vanguard of airport systems worldwide.

The Port Authority has embarked upon a comprehensive effort to modernize its airport system, the nation's largest, which collectively welcomed more than 132 million passengers in 2017. Nearly 36 percent, or \$11.6 billion, of the Port Authority's 2017-2026 capital plan spending, has been allocated toward airport modernization and improvements, including funding for new terminals, infrastructure and critical state-of-good-repair work.

Port Authority Board Chairman Kevin O'Toole said, "Building state-of-the-art new terminals, enhancing security and improving the customer experience across all our airport facilities won't succeed if the men and women who work there don't do their jobs well. And people cannot be expected to do their jobs well if they aren't paid well. This Board has heard the voices of airport employees who've shared their stories with us over the years. We know that higher wages won't only make a difference to them personally, but will have a significant impact in workplace morale and productivity that will directly enhance the experience of the traveling public visiting our airports."

"This policy will not only be a financial boost to thousands of dedicated airport workers, but will result in significantly reduced staff turnover – enabling stronger security," **said Port Authority Executive Director Rick Cotton**. "Studies have shown that higher wages for airport workers decrease turnover by as much as 40%. This will enable more extensive security training, and better trained workers will be more effective in assisting overall security efforts as well as in emergency situations. A higher-paid staff will improve morale, reduce turnover and yield better training opportunities – all of which will result in improved security, our top priority."

Following the scheduled increase later this year and in 2019, the minimum wage of all airport workers would increase to \$16.20 in 2020, to \$17.00 in 2021, to \$18.00 in 2022 and to \$19.00 in 2023. The table below depicts proposed minimum wage schedules for airports in both states:

Proposed Airport Minimum Wage Schedule								
		1/1/18	9/1/18	9/1/19	9/1/20	9/1/21	9/1/22	9/1/23
NY	PA Phase-in	10.45	13.60	15.60	16.20	17.00	18.00	19.00
NJ	PA Phase-in	10.45	12.45	15.60	16.20	17.00	18.00	19.00

Meeting best-in-class facility standards and employing global best practices are the Port Authority's overarching goals in delivering the world-class services, amenities and innovations that passengers demand. The agency and its partners – including the airlines and terminal operators – are working cooperatively to deliver customer-centric projects that will improve the lives of travelers, while enhancing the region's economy.

The Port Authority anticipates that these minimum wage actions will help reduce employee turnover, while increasing workers' job performance and creating a more stable workforce in these critical areas that focus on safety and security functions.

The agency expects workers who ultimately have more experience will be more knowledgeable of security processes and thus better able to respond to emergencies at the region's major airports. Other anticipated benefits include a higher quality of customer service throughout the airports.

All airport workers are covered under this new policy, ranging from those who provide ticketing, baggage handling, security and cleaning services to those who work in food services or retail. Most work in post-screening areas of the airport and have had background checks to meet federal security laws.

Governors Murphy and Cuomo also recognize the importance of settling the long-expired labor agreements with Port Authority employees. The Board is delegating authority to the Chairman and Executive Director to empower them to address this issue swiftly and fairly. All workers, whether they are paid by the Port Authority or the companies that operate on airport premises, are critical to delivering the service and expertise the public rightfully demands.

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