

The Port
Authority
of New York
and
New Jersey

1972 Annual Report

The Port Authority of New York and New Jersey

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Contents

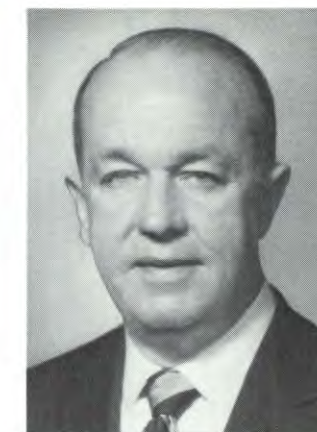
What the Port Authority Is
and What It Does 4
Planning for the Future 6
PATH and Rail Transportation 10
Terminals 16
Marine Terminals 20
Air Terminals 26
Tunnels and Bridges 34
World Trade 40
Administration 48
Staff 52
Financial 56

On July 1, 1972 the Port Authority's name was officially changed to The Port Authority of New York and New Jersey in accordance with legislation passed by the two States. Thus, the Port Authority, which has been a bi-State agency since its founding in 1921, now has a name which clearly reflects its bi-State nature.

Respectfully submitted
in accordance with
The Port Compact of 1921 to
The Honorable Nelson A. Rockefeller,
Governor, and the Legislature of
the State of New York and
The Honorable William T. Cahill,
Governor, and the Legislature of
the State of New Jersey.



Honorable Nelson A. Rockefeller,
Governor of the State of New York



Honorable William T. Cahill,
Governor of the State of New Jersey

To:

The Honorable Nelson A. Rockefeller, Governor, State of New York

The Honorable William T. Cahill, Governor, State of New Jersey

The highlight of 1972 was the announcement by your Excellencies in mid-November of a bi-State plan for major rail mass transportation development by the Port Authority, and the passage of the necessary enabling legislation in New Jersey. Detailed engineering planning and negotiations on the \$650 million project, which was planned by the Port Authority in close cooperation with the New Jersey Department of Transportation and the Metropolitan Transportation Authority, proceeded immediately in anticipation of legislative approval so construction could begin as soon as possible in 1973.

There also was progress on many fronts throughout 1972 in maintaining the Port District's leadership in increasing the nation's trade and commerce through the operation and further development of public terminal and transportation facilities.

The Port Authority Trans-Hudson (PATH) rail service completed a decade of operation in 1972 with passenger volumes at their highest level since 1952. The rehabilitation and modernization program, which began with the 1962 Port Authority acquisition of the Hudson and Manhattan Railroad, neared completion at year's end. Rapid progress was made during the year on the Journal Square Transportation Center in the heart of Jersey City and the cornerstone of that project was placed in September. With the delivery of 46 new air-conditioned cars PATH was able to create more room for passengers on its two most heavily used services—those terminating at the World Trade Center Terminal in lower Manhattan. In addition, PATH began negotiations during the year with the Penn Central Transportation Company for the operation and rehabilitation of Penn Station in Newark.

General cargo tonnages at the Port Authority's six marine terminals exceeded 12 million long tons in 1972, a 7.4 percent increase over 1971 when a six-week longshoremen's strike curtailed activity. Accelerated construction highlighted the continued development of the Elizabeth-Port Newark marine complex to keep up with the steady demand for containership space in the Port. The Elizabeth terminal, which marked its tenth year of operation in August, remains the world's largest and most modern containership facility.

In April the Port Authority began operation of interim passenger ship terminal facilities at rehabilitated Piers 84 and 86 on Manhattan's Hudson River front, while work moved ahead rapidly on the new Passenger Ship Terminal being constructed between 48th and 52nd Streets.

The Port Authority's three major airports served 41.7 million domestic and overseas air passengers during 1972, shattering the 1969 record for the region by more than three million passengers. This sharp increase in passengers, however, has not resulted in any significant growth in the number of aircraft movements because of the use of wide-bodied aircraft with greater capacity and continued airline improvement of load factors.

The Port Authority continued its program to expand existing airports to their maximum capacity in anticipation of an expected doubling of regional passenger demand by the end of the decade. Newark Airport was renamed Newark International Airport to reflect more accurately the full scope of airline service that will be available there when the redevelopment program is completed.

Traffic crossing the Port Authority's six tunnels and bridges linking New Jersey and New York totaled 159,476,354 vehicles, an increase of 3.3 percent over 1971. The Port Authority, the New Jersey Department of Transportation and the New Jersey Turnpike Authority signed a permanent operating agreement during 1972, covering the procedures and financing arrangements under which the Port Authority will continue to operate the time-saving exclusive bus lane on the New Jersey approach to the Lincoln Tunnel.

During 1972 The World Trade Center began to take its place as the focal point for the transaction of international trade in the bi-State Port District. The community of world trade organizations located in the Center grew to more than 300 firms; its unique world trade communication services were inaugurated; and the World Trade Institute completed its first full year of operation. Although a crippling strike slowed construction and move-in activity appreciably during the last half of the year, the first tenants moved into the South Tower Building and the Northeast Plaza Building, and the first consumer services went into operation. At year's end, more than 7,000 people employed by tenant firms were working in this new headquarters of export/import trade that is so important to the economic well-being of the Port District.

In accordance with the responsibilities given it by the 1921 Port Compact, the Port Authority continued to carry out its various activities related to the planning and development of the Port area and the promotion and protection of trade and commerce moving through this great bi-State harbor.

This, in brief, was the broad picture for 1972, another year of service to all the people of the Port District in fulfilling the directives given the Port Authority by the two States.

Respectfully yours,



James C. Kellogg III
Chairman

Port Authority Facilities



What the Port Authority Is and What It Does

The Port Authority of New York and New Jersey is a public agency which operates public projects. The bi-State Authority has no taxing power and cannot pledge the credit of either State.

The Port Authority was created by a Compact between the two States in 1921 to be a financially self-supporting agency responsible for developing and operating terminal, transportation and other facilities of commerce within the bi-State Port District. The original name of the agency, The Port of New York Authority, was officially changed by concurrent bi-State legislation in 1972 to The Port Authority of New York and New Jersey.

The Port Authority can undertake only those projects which have been authorized by the two States.

In the Port Compact, New Jersey and New York:

- pledged their "faithful cooperation in the future planning and development of the Port of New York;"
- specifically defined "the Port of New York District," the area in which their joint interest lay; and
- created the Port Authority as their agency to carry out within the District the projects which they declared "can best be accomplished

through cooperation of the two States by and through a joint or common agency."

Organization

The Port Authority consists of twelve Commissioners. Six are appointed by the Governor of New York and six by the Governor of New Jersey, subject to confirmation by the State Senates. The Commissioners are public officers who serve without pay or fees of any kind for overlapping terms of six years. Traditionally, appointments have been based upon records of accomplishment in business, the professions and community and public leadership. The Commissioners report directly to the Governors of New York and New Jersey, who have veto power over actions of their respective Commissioners taken at meetings of the Board.

To carry out their policy decisions and manage the day-to-day operations of the Authority, the Commissioners rely on an Executive Director and a professional staff. The Executive Director is charged with much the same responsibility for executive action and administration as the president of a private corporation. The policies of the Board are transmitted to the administrative staff through him

and staff recommendations to the Board are presented by him. The Executive Director and the General Counsel are elected annually by the Board of Commissioners.

Projects

The projects and activities which the Port Authority has undertaken in accordance with the Port Compact and the additional specific directives of the two States in subsequent concurrent legislation fall in the general fields of land transportation, air transportation, water transportation, and world trade. The facilities operated by the Port Authority in accordance with the directions of the two States are:

Tunnels and Bridges Linking the two States

Goethals Bridge
Outerbridge Crossing
Holland Tunnel
George Washington Bridge
Bayonne Bridge
Lincoln Tunnel

Rail and Bus Commuter Facilities

Port Authority Bus Terminal
Port Authority Trans-Hudson (PATH) System
George Washington Bridge Bus Station

Regional Airports Serving the Two States

John F. Kennedy International Airport
LaGuardia Airport
Newark International Airport
Teterboro Airport
Port Authority—West 30th Street Heliport
Port Authority—Downtown Heliport

Marine Terminal and Other Facilities Handling the Commerce of the Two States

Port Newark
Elizabeth—Port Authority Marine Terminal
Hoboken—Port Authority Marine Terminal
Brooklyn—Port Authority Marine Terminal
Erie Basin—Port Authority Marine Terminal
Columbia Street Marine Terminal
Passenger Ship Terminal (under construction)
Port Authority Building
New York Union Motor Truck Terminal
Newark Union Motor Truck Terminal

World Trade

The World Trade Center

Other Activities

In addition to planning, financing,

building and operating certain terminal, transportation and other facilities of commerce, the Port Authority, under the Port Compact, may "make recommendations to the legislatures of the two States or to the Congress of the United States...for the better conduct of the commerce passing in and through the Port of New York, the increase and improvement of transportation and terminal facilities therein, and the more economical and expeditious handling of such commerce..."

To carry out this function, the Port Authority is continually engaged in planning studies on all matters related to the future of transportation and the need for transportation facilities to serve the Port District. This work involves constant cooperation and coordination with many municipal, county, State and Federal governmental agencies and departments which have responsibilities in the field of transportation and with the many private organizations involved, such as transportation carriers, civic associations and others.

The Port Authority has a responsibility to promote and protect the commerce of the Port. The entire economy of this metropolitan area depends upon its position as a transportation and

trade center, and the New York-New Jersey Port is constantly competing with other ports for cargoes. To carry out this responsibility, the Port Authority represents the interests of the Port before the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Maritime Commission, and other regulatory agencies, in matters such as rate cases, route cases, etc.

Another facet of the Port Authority's activities to promote the commerce of the Port is its program of port promotion and trade assistance. Trade transportation specialists, working from nine Trade Development Offices in the United States and overseas, assist shippers in their export-import operations and emphasize how shippers can cut costs and/or expedite their shipments via the bi-State Port.

The expansion of international trade and the flow of commerce through the Port is the specific purpose of The World Trade Center, which is now in operation even while construction work proceeds. The Center will serve as a unified community of commerce which will bring together the marketing and service facilities of world trade to permit the Port to better serve international commerce and to attract additional trade.

Planning for the Future

The most significant event of 1972 was the announcement by the two Governors of an agreement with the Commissioners of the Port Authority on a bi-State plan of major rail mass transportation improvement by the Port Authority. The plan was developed by the Port Authority in close cooperation with the New Jersey State Department of Transportation and the Metropolitan Transportation Authority, a New York State agency. It calls for the expenditure of approximately \$650 million for capital improvements to be financed by a combination of Federal, State and Port Authority funds. The Port Authority's investment in these improvements is expected to total \$250-\$300 million.

Legislation to authorize the project was passed by the New Jersey Legislature and signed by Governor Cahill before the end of the year.*

The plan provides for:

- rail rapid transit service on the Port Authority Trans-Hudson (PATH) System from Penn Station, Newark, into Union County to Plainfield, New Jersey, via Newark International Airport
- direct rail service to Pennsylvania Station, New York in mid-Manhattan for New Jersey and New York riders of the Erie Lackawanna Railway in Bergen, Passaic, Morris, Union, Somerset and Essex Counties in New Jersey and Rockland and Orange Counties in New York. Under the plan, Erie Lackawanna commuters will thus have the option of direct service to mid-Manhattan as well as to Hoboken where transfer to PATH for the trans-Hudson trip would continue to be available
- direct high-speed rail service between Manhattan and John F. Kennedy International Airport.

*Identical legislation was under consideration by the New York Legislature in March 1973 as this report went to press.

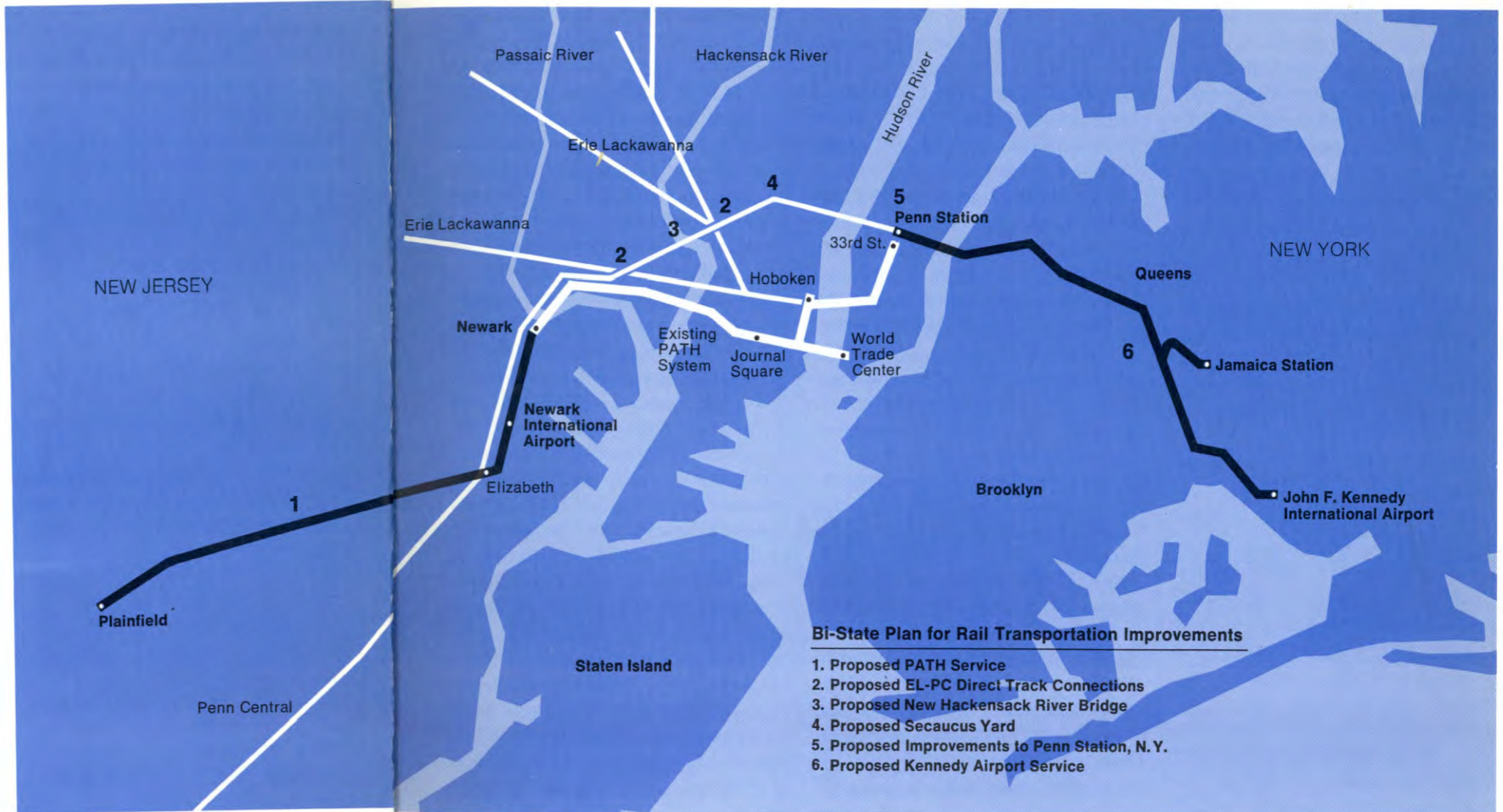
The legislation eliminates a previous statutory requirement that the Kennedy and Newark Airport projects must proceed simultaneously as a "single port development project."

By the end of 1972, the Port Authority was doing preliminary work on these plans in close cooperation with the two State transportation agencies, the Federal Government, the railroads and municipalities directly involved, and others. Detailed engineering planning and negotiations were under way in anticipation of legislative approval so that construction might begin as soon as possible in 1973 on one or more of the projects. The program is expected to be completed by the end of 1977.

The provision of rail service to Newark International Airport calls for the use of existing PATH trackage from Newark's Penn Station to South Street; new tracks running adjacent to Penn Central tracks from South Street to a new station at the airport; and a connection to the airport's planned internal transportation system.

New PATH tracks would run from Newark Airport south to a connection with the mainline of the Central Railroad of New Jersey, in order to use the CNJ right-of-way to Plainfield and to provide improved rail service to 7,600 daily CNJ riders who now change to PATH trains at Newark. The distance of the new PATH rail transit service is to be approximately 18 miles.

Preliminary steps were taken at year's end to implement the plan for expanded direct rail service for several branches of the Erie Lackawanna Railway to Pennsylvania Station, New York. This program encompasses direct commuter rail service for passengers from Morris, Union, Somerset and Essex Counties on the Morris and Essex Division of the Erie Lackawanna into mid-Manhattan by means of



direct track connections at Kearny, New Jersey between the Erie Lackawanna and Penn Central; a new railroad bridge across the Hackensack River; and direct track connections at Secaucus between the Penn Central and the Erie Lackawanna's Bergen County line to serve the Meadowlands, Bergen and Passaic Counties in Northern New Jersey and Rockland and Orange Counties in New York. The plans also include extensive track and signal improvements, a new railroad yard and substantial improvements to Penn Station, New York.

Significant travel time savings for some 20,000 daily Erie Lackawanna

commuters desiring rail access to and from the mid-Manhattan area would be realized from this plan which also could provide other benefits such as direct rail service to projected new developments in both States.

Planning went forward as well with the Metropolitan Transportation Authority and the airlines for extending the Long Island Rail Road to Kennedy Airport to provide service to and from Penn Station in New York and Jamaica.

This project would provide an electrically powered rail service between Pennsylvania Station in Manhattan and a rail terminal station within the

Central Terminal Area of Kennedy Airport. The approximate running time from Penn Station to an airline unit terminal at Kennedy would be 28 minutes, including the use of the passenger distribution system.

A second service for Queens, Nassau and Suffolk counties would run from the Long Island Rail Road's Jamaica Station over the Montauk Branch to its intersection with the route taken by the trains from Penn Station. The service would then operate in common with the Penn Station service to the same Central Terminal Area rail station.

Brooklyn service would be provided

from a station in Woodhaven, Queens, at a point where the airport route crosses Atlantic Avenue.

A separate passenger distribution system ("people mover") would link each airline unit terminal to the proposed rail terminal within the Central Terminal Area. This system to distribute passengers from the rail line to their individual airline destinations would also serve as an interline transportation system.

The rail service between Manhattan's Penn Station and the Long Island Rail Road's Jamaica Station into Kennedy Airport is expected to accommodate over 10 million passen-

gers annually by the year 1982.

In addition, negotiations began during the year with the Penn Central Transportation Company for PATH's operation and rehabilitation of Penn Station, Newark. (See Page 12.)

Staggered Work Hours

The success of the Staggered Work Hours Program in lower Manhattan led to the extension of the program to midtown under the sponsorship of a Midtown Task Force consisting of the Port Authority, the Metropolitan Transportation Authority, and other public agencies and civic associations. The midtown program was initiated in the fall of 1972 after a survey conducted during the spring and summer showed that a great deal of the transportation congestion in the area results from heavy dependence on traditional 9 to 5 work schedules. By the end of 1972, some 20,000 workers of 40 midtown business firms and government agencies had changed to earlier or later work schedules.

The Port Authority and the Downtown-Lower Manhattan Association began the Staggered Work Hours Program in 1970. At the end of 1972, more than 100,000 employees of 250 lower Manhattan business firms and government agencies were participating in the program.

Periodic surveys of subway and PATH patronage indicated that congestion during the height of the peak hour had been reduced on three main subway lines in lower Manhattan by some 26 percent and on PATH by more than 25 percent. PATH traffic has grown 57 percent during an earlier period where under-utilized capacity previously existed.

Urban Corridor Project

Aimed at improving transportation service through the use of known op-

erational techniques, the Manhattan Central Business District-Northern New Jersey Urban Corridor Project was the first in the nation to begin under the U.S. Department of Transportation's ten-city Urban Corridor Program.

The exclusive bus lane on the New Jersey approach to the Lincoln Tunnel, which is part of this project, completed two full years of operation on December 18, 1972. (See Page 36.)

Also as part of the Urban Corridor Project, the Port Authority directed studies of a bus passenger monitoring system (See Page 36) and an automatic bus identification system. (See Page 36.)

During the past year, the Port Authority worked with the New York City Transit Authority to provide improved Central Business District access to the Port Authority Bus Terminal by re-routing two of the local Manhattan bus lines to better serve the terminal. This effort was coordinated by the Tri-State Regional Planning Commission. The new routings have proven popular with the public, with one of the lines having added 2,500 passengers a day within the first few months.

Highway Access To Facilities

The Port Authority reached agreement with the New Jersey Department of Transportation and the New Jersey Turnpike Authority on a functional plan for a new highway link (Route 81) between a proposed New Jersey Turnpike Interchange and US 1, Newark International Airport and the Elizabeth-Port Authority Marine Terminal. The three agencies would share in the cost of this project.

A cooperative agreement was also reached by the New Jersey Department of Transportation and Port Authority for a construction program that will make the I-78 roadways contiguous to Newark International Airport

available for traffic to and from the airport, in various stages, beginning in July 1973. The agreement calls for the start of construction on the north side of the airport between the New Jersey Turnpike on the east and the interchange connecting with the airport on the west so that a first stage roadway will be available by the time the new terminal buildings in the Central Terminal Area open in 1973.

In another phase of regional highway planning, the Port Authority served with New York State and New York City agencies on the Steering and Technical Committees which are planning the new West Side Highway Project. At the same time, close liaison was maintained with the New York State Department of Transportation and the New York City Transportation Administration in developing an agreement and plans for revising the ramps connecting the Grand Central Parkway with LaGuardia Airport. Cooperation also continued with the New York State Department of Transportation on developing new interchange connections between the Nassau Expressway and the proposed 150th Street Expressway that would serve the Central Terminal Area of Kennedy International Airport.

Harbor Planning

The Port Authority continued last year to plan and press vigorously for improvements to the New York-New Jersey Harbor. In May, the Authority presented testimony on behalf of itself and 22 maritime and civic organizations to both the House and Senate Appropriations Committees urging a 1972-1973 Channels program of three construction and two study projects.

Four of these recommendations were incorporated in the final appropriations bill adopted by Congress and approved by the President in August. They provided: \$4,676,000 to

continue improvements to Newark Bay and the Hackensack River; \$5,500,000 to continue deepening of the New York Harbor Anchorages; \$25,000 to continue the study of improvement to the East River and Steinway Creek; and \$200,000 to complete the Atlantic Coast Deep-water Port Facilities Study.

At the request of the Port Authority and of Congressman Peter Rodino of New Jersey, the House Committee on Public Works adopted a resolution in June 1972, directing the Corps of Engineers to evaluate the deepening of Newark Bay Channel and the Kill van Kull from the New Jersey Turnpike Extension Bridge to the Anchorage Channel in Upper New York Bay, from the existing 35 feet below mean low water. The deepened channel is needed to accommodate the largest of the new containerships. These vessels have loaded drafts exceeding 31 feet, the traditional safe draft for a 35-foot channel. In fact, some containerships with drafts of 35 feet already are in service. The Port Authority is hopeful that Congress will appropriate the necessary funds to enable the Corps to begin its study in 1973.

The Port Authority and other interests continued to press for a solution of the navigational problem caused by the Central Railroad of New Jersey drawbridge across the southern end of Newark Bay. The bridge has become a serious hazard to navigation in recent years as ship traffic on the Bay has increased. The Coast Guard has studied the problem and at the end of the year, determined that the bridge is an obstruction to navigation requiring either complete reconstruction or removal. Also, in November, the I.C.C. issued an order for hearings that could permit the CNJ to use the Penn Central/Lehigh Valley Bridge over upper Newark Bay for the routing of its freight to Hudson County. This

bridge is situated north of Port Newark and away from heavy deep-sea ship traffic.

Coast Guard authority to establish a radar traffic advisory system to guide vessels in the Harbor had, until recently, been implied but never actually applied, except in cases of national emergency. To change this deficiency the Port Authority and other maritime organizations have urged the Coast Guard to recommend Federal legislation to authorize the service to establish and operate vessel control systems. This culminated in the adoption of the "Ports and Waterways Safety Act of 1972," mandating the Coast Guard to establish, operate and maintain harbor vessel traffic systems in United States ports.

Industrial Development Guide

The Port Authority early in 1972 published *The New York-New Jersey Metropolitan Area Industrial Development Guide*. The purpose of the 280-page Guide is to acquaint industrialists with the benefits of producing and marketing goods in the Port District and its immediate environs. The first comprehensive compilation of pertinent information about the metropolitan region's many resources, it includes material on labor, education, industry, space for additional industry, transportation services, utilities, water supply, research and development activities, and other supporting services.

The *Guide* has been made available without charge to key development agencies in New Jersey and New York, including government departments, public utilities, banks, chief executives of top industrial firms, Chambers of Commerce, colleges and universities in the metropolitan area and some libraries and national depositories. The book has also been made available to many other users, including consultants, real estate firms, etc.

Waterfront Land Use

A Port Authority survey, "Underdeveloped Land Adjacent to Deep Water in the Port of New York," published in 1971, continued to attract industry to consider suitable land in the Port for development.

The Port Authority has been participating with planning agencies in a Coastal Zone Study since 1971 under the sponsorship of the Tri-State Regional Planning Commission. The study will help resolve multiple-use conflicts along the shoreline of the harbor and outlying areas. With this study already well under way, the New York-New Jersey-Connecticut Metropolitan Region is in a good position to benefit from the Federal legislation passed in 1972 which is designed to encourage state development and administration of coastal zone management programs.

Further, at the request of Jersey City, the Port Authority is cooperating with the City's consultants in preparation of plans to redevelop Jersey City's waterfront for multiple uses.

Improving the Environment

During 1972 the Port Authority continued its efforts to assure the environmental compatibility of its operations and new developments.

These efforts included: a comprehensive analysis of the effect of storm and run-off waters from the major airports (see page 28); imaginative solid wastes programs such as the wide use of recycled paper, on which this publication, as well as last year's Annual Report, is printed; improvement programs at facilities to assure conformity with increasingly higher standards of air and water qualities; and continuing contact with Federal, State and local agencies on legislation and standards in the areas of spoils dredging, ocean dumping and coastal zone and land use management.



PATH and Rail Transportation

Planning went forward for direct PATH rail rapid transit service between Penn Station, Newark and Newark International Airport and through Union County to Plainfield, New Jersey as part of an overall expansion of rail passenger facilities in the bi-State area. Development of this major rail mass transportation program by the Port Authority was announced jointly by Governor Cahill of New Jersey and Governor Rockefeller of New York in mid-November. (See Page 6).

The year 1972 marked the first ten years of the Port Authority's operation of PATH and the completion of many major rehabilitation programs. Rapid progress was made on construction of the PATH Journal Square Transportation Center in Jersey City and 46 new air-conditioned rapid transit cars were delivered to the PATH system. In addition, the Port Authority was conducting negotiations with the Penn Central Transportation Company for PATH's operation and rehabilitation of Penn Station in Newark.

A Decade of Progress

Acquisition of the bankrupt and deteriorated Hudson & Manhattan Railroad by the Port Authority in 1962 followed passage of legislation by the States of New Jersey and New York designed to prevent the abandonment of this vital rapid transit link between the two States.

In the last ten years the Port Authority, through its subsidiary, the Port Authority Trans-Hudson Corporation, has invested \$300 million in acquisition, rehabilitation, modernization and operating deficits on the 13.9-mile rapid transit system connecting Newark, Harrison, Jersey City and Hoboken with New York City.

PATH track engineer inspects rail alignment plans for new PATH Transportation Center seen rising above Journal Square in Jersey City.

PATH now carries over 70 percent of all passengers entering New York City by rail from New Jersey. Traffic, which totaled 29 million passengers ten years ago, reached a level of over 40 million in 1972. Over 1,100 trains operate each weekday, with 340 trains on Saturdays, Sundays and holidays. During 1972, PATH's overall on-time performance record was 95.8 percent.

Major elements of the PATH rehabilitation and modernization program which have been substantially completed include:

- design and purchase of a new fleet of air-conditioned cars
- construction of the new World Trade Center terminal in lower Manhattan
- improvement of other passenger stations in both States
- renovation of the signal system
- replacement of the electric traction power system
- improvement of maintenance shops and car yards
- installation and improvement of an all-station public address system
- installation of a two-way radio communications network throughout the system and on all PATH trains
- implementation of a new exact change fare collection system
- cooperation with the State of New Jersey in providing PATH facilities and services for passengers who previously used the trans-Hudson ferries of the Central Railroad of New Jersey and the Erie Lackawanna Railway.

Journal Square Transportation Center

By the end of 1972 the skeletal form of the PATH Journal Square Transportation Center had taken shape. From a largely barren construction site some 10,000 tons of steel spread

upward and outward during the year to carry the PATH administration building to its full height of ten stories and to span the wide rail cut. In September, Governor William T. Cahill, Deputy Administrator William S. Allison of the U.S. Urban Mass Transportation Administration and Mayor Paul T. Jordan of Jersey City joined Port Authority Chairman James C. Kellogg, III in placing the cornerstone of the Center.

The Center will be opened in stages during 1973 and be completed by early 1974. It is being built on an eight-acre site over and adjacent to the PATH and Penn Central tracks between John F. Kennedy Boulevard and Summit Avenue in the heart of Jersey City. The Center will provide two new PATH station platforms capable of handling longer trains, a consolidated bus station with off-street berths for buses serving 29 routes, a concourse for PATH and bus passengers with space for consumer services, a landscaped street-level plaza, and off-street parking for over 600 cars and for bicycle parking as well. The Center will be the adminis-

The New York State Commuter Railroad Equipment Program was initiated in 1959 in accordance with legislation enacted by the two States which permits New York State to guarantee up to \$100 million of special Port Authority bonds to purchase cars for lease to New York commuter railroads.

The two States enacted legislation authorizing and directing the Port Authority to acquire, rehabilitate and operate the Hudson & Manhattan Railroad in 1962. The Port Authority Trans-Hudson Corporation (PATH) was created as a subsidiary of the Port Authority and acquired the H&M system, now known as PATH, on September 1, 1962.



Cornerstone for the Journal Square Transportation Center was put in place in September by (left to right) Mayor Paul T. Jordan of Jersey City, Deputy Administrator William S. Allison of the Urban Mass Transportation Administration, Governor William T. Cahill and Port Authority Chairman James C. Kellogg III.

trative and operational headquarters for the PATH system.

This vital transportation improvement, including work completed at the Grove Street Station in Jersey City in 1970, will cost \$80,648,000 and is being assisted by a Federal grant of \$39,166,000.

Car Fleet Enlarged

Throughout 1972 PATH received phased delivery of 46 new air-conditioned rapid transit cars. These additions to the PATH fleet create more room for passengers by permitting PATH to lengthen trains operating on its two heaviest services into the World Trade Center terminal.

Significant improvements have been incorporated into the new cars. Most visible are those in the car interior, where route indicators have been added above inside doors and seating has been improved by cantilevered, contoured units. Passenger

movement into and out of the cars has been improved by the additional space provided at the door areas. An improved suspension system also results in a quieter and more comfortable ride. Other new features allow a smoother reapplication of power at low speeds and individual engines for each door opening to improve reliability.

Penn Station—Newark

At the request of Governor William T. Cahill, PATH is negotiating with the Penn Central Transportation Company for the lease, rehabilitation and operation of Penn Station, Newark. The Penn Central would continue to control all non-PATH train movements, ticket sales, train information and baggage handling.

Penn Station is a major regional transportation center serving 40,000 daily passengers. Housed in this one facility is the PATH terminal, long dis-

tance and suburban rail services, the terminal of the Newark City Subway, the Greyhound bus station, a local bus terminal and taxi stand.

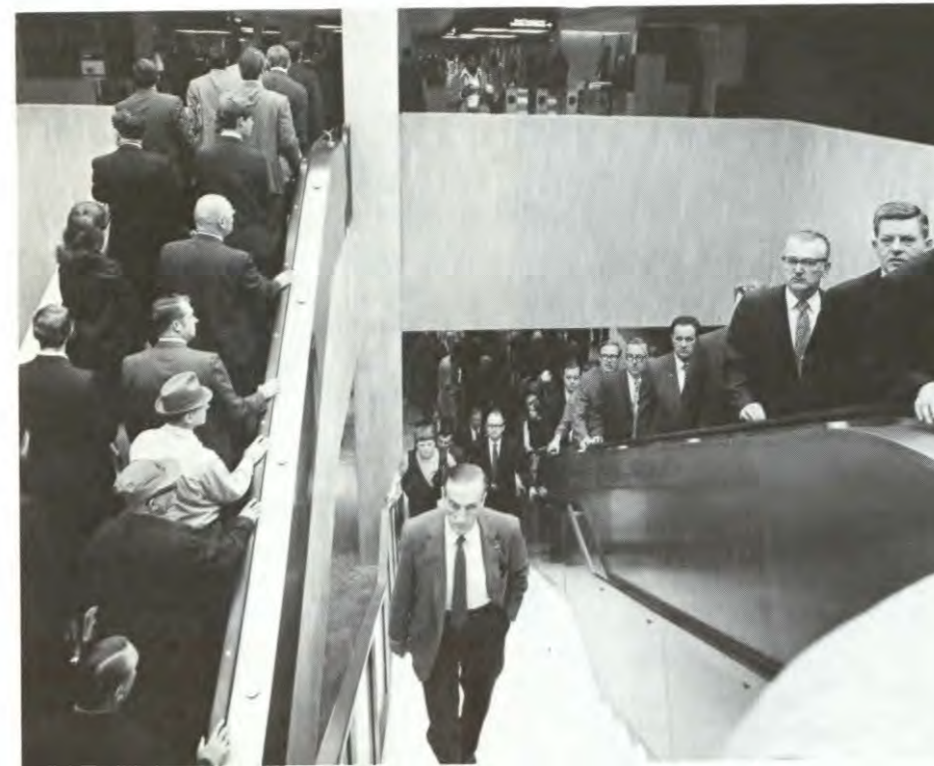
As soon as PATH undertakes operation of the station, high priorities will be assigned to the station's restoration, maintenance and security. Immediate attention will be given to those items which have a direct effect on safety, and passenger convenience and comfort, with priority given to replacing the heating plant, repairing the presently inoperative escalators and removing the accumulated grime from public areas. \$12.3 million would be spent on capital improvements of the station during the first years of its lease.

Modernization Projects

During 1972, PATH continued conversion of its stations to an exact change fare collection system and by year's end the majority of the stations had been converted. Under the new fare collection system passengers are relieved of the necessity of standing in token lines by paying their fares with exact change in turnstiles.

By mid-1972, three new silicon rectifier substations under construction in the area west of Journal Square had been completed and were on line. These new substations were installed as part of a \$7.1 million project to increase traction power capacity to permit longer trains to operate at higher speeds on the line connecting Newark and The World Trade Center. The substations also relieved PATH of its previous dependence on Penn Central traction power and provide uniform power conversion throughout the system.

Local power control consoles have been installed to provide consolidated control of traction power equipment and alarm indications in the substations. Ultimately, these consoles will



The modern air-conditioned PATH World Trade Center terminal completed its first year of operation in 1972, serving 85,000 travelers daily.



PATH'S newest air-conditioned rapid transit cars have improved seating, additional space at door areas and route indicators above inside doors. The 46 new cars enable PATH to lengthen trains for greater passenger capacity and comfort.

interface with the modern supervisory control system to be installed in the permanent Control Center at the PATH Journal Square Transportation Center.

The \$2 million rehabilitation of the PATH tunnel signal system progressed into its final stages in 1972 and work continued on the installation of circuits and signals between Journal Square and Newark.

PATH completed equipping its fleet with a two-way radio network to permit direct radio communications between the Operations Control Center and crews of all trains. This has proved to be an invaluable aid in improving the reliability of train operations and assisting in emergency situations, such as getting quick assistance to sick passengers.

World Trade Center Terminal

One of the most important features of the new PATH World Trade Center Terminal is the greater platform length,

which provides for operation of longer trains.

Arrival of additional new cars enabled PATH to take advantage of these longer platforms by lengthening trains from six to seven and eight-cars to provide more room for passengers. The old Hudson Terminal, which the World Trade Center terminal replaced in 1971, was restricted to six-car trains.

Although suffering the burden of numerous strikes in the construction industry, contractors continued to make progress toward completion of consumer service areas at the new terminal. Demolition of the old H&M tunnels, which passed through the terminal, allowed work to begin on a new stairway access from the north end of the middle platform to the mezzanine above.

Passenger Service Programs

Continuing efforts are being made to watch over operations affecting passenger comfort and convenience. Schedule changes, car equipment purchases and station planning, as well as letters from patrons, are carefully reviewed to determine areas of needed improvement.

Additional trains were added to the Newark-World Trade Center line to permit an earlier start of peak hour service in the morning. Likewise, additional earlier peak-hour service was provided in the afternoon from 33rd Street to Hoboken to improve operations from mid-Manhattan.

PATH's informational services were expanded to include an around-the-clock telephone travel information service as a supplement to the recorded train information. Adoption of the exact change fare collection system also enabled the former change agents to provide more informational services to passengers.

Late in 1972, a program was



Community leaders and PATH officials unveiled plaques in four PATH cars during ceremonies marking the rapid transit system's revival of the railroad tradition of naming passenger cars for communities served. Deputy Mayor Joseph Frisina of Newark and Port Authority Commissioner Andrew C. Axtell unveiled the "City of Newark" plaques. Rail Transportation Director Louis J. Gambaccini is shown with Deputy Mayor Jerome Lazarus of Jersey City, Deputy Mayor-City Administrator Edward A. Morrison of New York and Mayor Louis De Pascale of Hoboken. Each car in PATH's 298-car fleet will be named for one of the communities PATH serves.

launched for naming each car in PATH's fleet for one of the more than 300 communities whose residents travel on PATH. The initial cars were dedicated to the cities of Newark, Jersey City, Hoboken and New York in special ceremonies held in the communities. The name of each car appears on an engraved plaque at each end of the interior of the car, along with a short description of the character and development of the area. The program salutes the communities and emphasizes the service PATH provides to communities far beyond its own service limits.

The PATH summer tour program was doubled in size and expanded to accommodate senior citizens, as well as the youth groups which were served in former years. The trips provided behind-the-scenes views of PATH transit operations and helped acquaint new families with the services provided by PATH in their community. Some 4,500 people participated in the 1972 summer tour program.

Staggered Work Hours

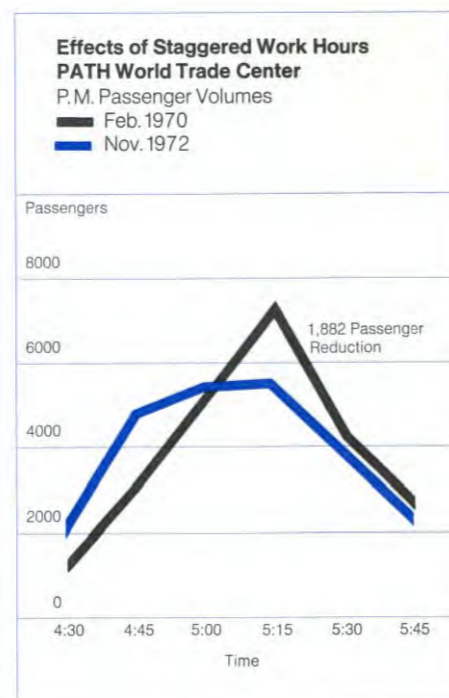
The increasing concentration of passenger travel during the morning and evening rush hours is one of the most significant long-range problems facing the transit industry in general and the PATH system in particular. According to survey data collected by an international association of public transport agencies, PATH's traffic is concentrated more heavily during the weekday peak hours than that of any other urban rapid transit system in the world. Almost half of PATH's current weekday traffic is carried during the morning and evening peak hours, with the remainder being spread out at a low level during the other 22 hours of the day.

The Staggered Work Hours Program in lower Manhattan and mid-Manhattan represents an important

effort to increase passenger comfort by reducing the concentration of traffic during peak hours. (See page 8.) In just over two years, the Staggered Work Hours Program has significantly reduced crowded peak hour conditions in the lower Manhattan area. Passenger traffic has been reduced more than 25 percent during the critical 5:00 to 5:15 p.m. period at the World Trade Center terminal. In October 1972, the program began in midtown Manhattan, where PATH and other transit operators anticipate equal success and improvements in travel for the passengers they serve.

Passenger Volumes

In 1972, PATH served 40,282,283 passengers, the highest volume since the 1962 Port Authority acquisition of the old H&M system. Traffic increased 3.6 percent over 1971 and continued a trend established in 1965 and interrupted only in 1971 when traffic leveled off at the 1970 level, apparently due to the downturn in the area's economy.



The year's gains were accentuated by bus strikes in Hudson County in January and February and by the long Transport of New Jersey bus strike, which lasted from March to May. Operational retrenchments following the latter strike resulted in a further shift of riders to PATH services.

PATH benefited from gains in Erie Lackawanna Railway traffic, which brought increases in traffic to Hoboken, the busiest of all New Jersey stations. In New York the most substantial gain was made at 33rd Street, where traffic was 8.8 percent higher than the preceding year. The World Trade Center terminal, which handles approximately 60 percent of the total fares in New York, reported a slight loss of 0.4 percent over 1971.

New York State Commuter Railroad Equipment Program

A total of 467 air-conditioned passenger cars and eight diesel-electric locomotives have been purchased for use in commuter service within the State of New York on the Penn Central and Long Island railroads since 1962 under the New York State Commuter Railroad Equipment Program. The Port Authority-financed commuter cars, and the new car equipment program of the Metropolitan Transportation Authority will permit the retirement of virtually all non-air-conditioned pre-World War II railroad equipment still used in commuter service in the eastern half of the Port District.

Eighty new Port Authority-owned multiple-unit electric coaches were delivered in 1971 to the Penn Central Transportation Company for use on the Hudson and Harlem division lines serving Westchester County. The Port Authority purchased these new cars from the General Electric Company and is leasing them to the trustees of the railroad. These cars are presently in use on the Harlem division and will



Behind-the-scenes educational tours of the PATH system were expanded to serve senior citizens and the handicapped as well as school children.

be placed into service on the Hudson division in 1973, when the MTA completes the installation of high-level platforms at stations on that line.

The Commuter Railroad Equipment Program was initiated by the State of New York in 1959 to provide public financial assistance in the purchase of critically needed rolling stock for lease to the railroads providing suburban service on the New York side of the Port District. The Port Authority's role as program administrator is based on concurrent legislation enacted by the States of New York and New Jersey, under which either State may act to make the Port Authority the administrator of its own particular commuter railroad equipment financing program. The approval of the New York electorate in November 1961 permits the State of New York to guarantee up to \$100 million of special Port Authority bonds to finance roll-

ing stock for commuter rail service.

The Port Authority's agreements with the Metropolitan Transportation Authority and Penn Central require the payment of rentals on the cars in amounts equal to the debt service on the outstanding bonds and administrative costs of the commuter car program. These rentals have been paid when due in accordance with the terms of the various car lease agreements.

As administrator of the program, the Port Authority can neither derive revenues nor incur expenses which may in any way add to or detract from the revenues pledged to Consolidated Bonds or to any Port Authority bonds other than those issued under the program. These State of New York Guaranteed Commuter Car Bonds are not included in determining the amount of the Authority's General Reserve Fund requirements.



Terminals

During 1972, the Port Authority Bus Terminal initiated several programs to improve service to patrons while maintaining its efficient operation. As the world's busiest mass transportation facility, the services offered to a myriad of Bus Terminal patrons are as varied as the daily commuter's newspaper, the casual shopper's clothing purchase, and the vacationer's bus ticket to the other end of the country.

The George Washington Bridge Bus Station continued to be an important commuter facility, bringing northern New Jersey residents into a terminus on one of New York City's rapid transit lines.

An active record of performance prevailed at the Port Authority's centralized freight consolidation and distribution stations — the Newark and New York Truck Terminals. The fifteen-story Port Authority Building was fully occupied.

Port Authority Bus Terminal

In 1972, a total of 60 million passengers used the Port Authority Bus Terminal on 700,000 long haul and 1,350,000 short haul bus arrivals and departures. This represents a 14 percent decrease below 1971 totals, due in very large measure to exceptionally long bus-line strikes, notably those by Transport of New Jersey and Safe-way Trails. The Transport strike created service problems for the daily commuter who used either the Bus Terminal or the George Washington Bridge Bus Station.

Despite the overall decreases in activity, the peak hour totals remained fairly stable during 1972. Short haul departures to the nearby urban areas of Hudson and Essex Counties in New

Jersey continued to show a slight decline in peak hour activity during 1972. The more distant suburban areas of Rockland County in New York and Morris, Monmouth and Mercer Counties in New Jersey showed a substantial growth in housing development and population, thereby producing enough commuter traffic to offset the short haul loss. The result was a rather stable overall evening rush hour.

Improved Service to Patrons

In September, with Port Authority cooperation and assistance, the New York City Taxi and Limousine Commission set up a taxi dispatch system at the Eighth Avenue end of the Bus Terminal to handle patron demand for taxi service during morning rush hours in a safer and more expeditious manner. Staffed by Commission employees, an orderly service was set up which has received good reaction from both drivers and patrons.

Within the terminal, efforts to improve service to and comfort of bus travelers were highlighted by several anti-pollution programs instituted during the year.

A campaign aimed at bus operations, urging that all drivers turn off their engines while in berth, was continued during the year. Letters soliciting industry cooperation in the venture, signs alerting patrons to the effort being made in their behalf and a film used as both an informational and orientation device for the bus industry resulted in noticeable improvements to air pollution levels inside the Bus Terminal during 1972. Patron reactions indicate that the campaign effects were beneficial.

Efforts to reduce a different sort of pollution, that of the debris accumulated in a terminal through which 200,000 people pass each day, are part and parcel of the twenty-four

hour-a-day cleaning operation which occupies the terminal's Sanitation Unit. Closing off areas after commuter rush hours and working with a "graveyard shift" schedule, the cleaning force manages what could otherwise become a monumental pollution problem. In this area, too, patron comment indicates that the efforts made do not go unnoticed or unappreciated.

The year was also marked by the second anniversary of the exclusive bus lane on the New Jersey approach to the Lincoln Tunnel. This innovation, which was inaugurated in December 1970, saves 10 to 25 minutes morning travel time for 35,000 commuters on their way to the Bus Terminal in mid-Manhattan. (See Page 36.)

Community Service

During 1972, two important community programs moved into new stages. Project FIND, the cooperative program for the aged established through the joint efforts of the Port Authority, New York City Office for the Aging, the Travelers Aid Society of New York and the Office of Economic Opportu-

The Port Authority Bus Terminal in mid-Manhattan is the busiest mass transportation terminal in the world. The Terminal was opened in 1950 and an expansion program, completed in 1963, added another bus operating level.

The George Washington Bridge Bus Station, built as part of the lower level project of the bridge, opened in 1963. It replaced widely scattered street-level bus loading areas and speeded travel time for commuters.

In addition, the Port Authority built and operates the Port Authority Building, opened in 1932; the New York Union Motor Truck Terminal, opened in 1949; and the Newark Union Motor Truck Terminal, opened in 1951.

Port Authority Police Officer directs some of the 2 million buses using the midtown bus terminal each year.



On a normal business day, the Bus Terminal serves about 200,000 patrons, many of whom are New Jersey commuters.



A plainclothes Police Officer from the Bus Terminal's Juvenile Aid Program assists the many lost or truant youths found wandering in the busy terminal every year.

nity on the West Side, celebrated its first anniversary in June at the new quarters on West 43rd Street. Project FIND (for Friendless, Isolated, Needy, Disabled) was set up to give the lonely aged men and women who used to congregate in the Bus Terminal for diversion and daily interest a permanent place for their own recreation. These elderly people now come to FIND's coffee house to chat, sip coffee, play cards, read and enjoy a wide range of activity in a location created especially for them.

The second program—the Youth Services Program—is one which pro-

vides a vital service in a city like New York. Each year, thousands of youngsters, some lost, some truant, some runaways, find their way to the Bus Terminal. Realizing the importance of finding and returning as many of these youngsters as possible, the Terminals Department and its staff at the Bus Terminal set up this program under the leadership of an outstanding Port Authority plainclothes Police Officer. Working around the clock with a very small staff, this Officer possesses a real ability to relate to and assist the youngsters with whom he deals. He makes every effort to locate the par-

ents or guardians of each youngster found wandering in the midtown terminal and to return each one to his or her home.

Expansion Program

Detailed planning went forward on the Bus Terminal's expansion during the year so construction could begin during 1973. The expansion plan is designed to increase capacity in the twenty-two-year-old facility by 50 percent.

Each floor of the present Bus Terminal, except the street level, would be extended one block northward all the way to 42nd Street on the site between Eighth Avenue and the McGraw-Hill Building. New vehicular levels above grade would bridge over 41st Street and become accessible to the existing overhead ramp system that is part of the approach complex leading into the Lincoln Tunnel. A below grade underpass would connect the tunnel to both new and existing bus levels, thereby relieving traffic congestion at the intersection of Ninth Avenue and 41st Street.

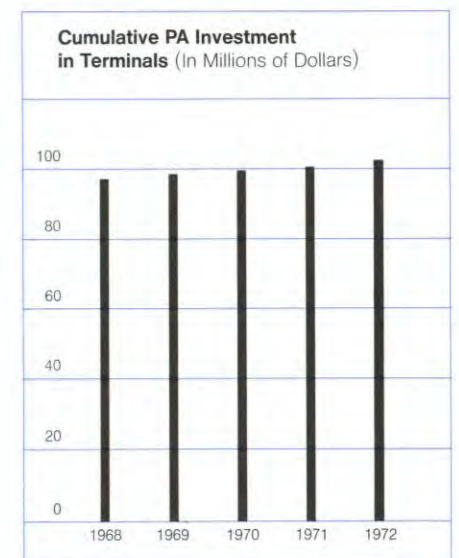
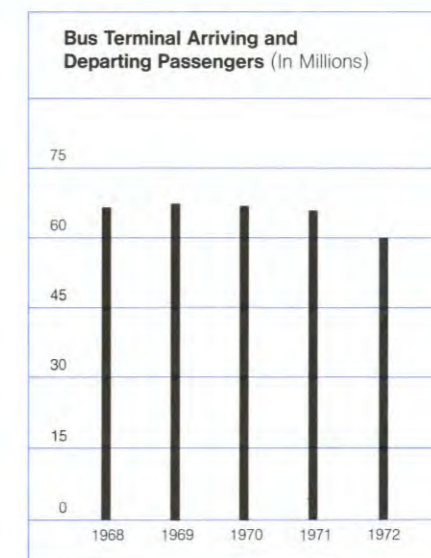
George Washington Bridge Bus Station

The Bus Station in Washington Heights serves approximately 38,000 commuters daily, relieving local streets of about 1,400 daily bus movements through its direct ramp connections to the George Washington Bridge. During 1972, seriously hampered by the effects of long strikes by Transport of New Jersey and Safeway Trails, bus departures were down 16 percent from the levels recorded during 1971.

In its ninth year of operation, the Station continued to serve as a focal point for Bergen and Rockland County commuters who represent the bulk of the daily traffic at the facility.



Television screens on the concourse level at the George Washington Bridge Bus Station enable passengers to wait indoors until buses arrive, then proceed to the upper level boarding platforms.





Marine Terminals

For 1972, general cargo tonnages at the Port Authority's six marine terminals totaled 12,182,955 long tons, a 7.4 percent increase over 1971, a year affected by a six-week longshoremen's strike.

A Decade of Progress

The 1,000-acre Elizabeth-Port Authority Marine Terminal celebrated its tenth year of operation in August 1972. Today, the Elizabeth Terminal — the world's largest and most modern containership facility — is America's Container Capital.

Development of the Elizabeth Terminal from a marshy wasteland to a containership facility of the first order is moving ahead rapidly to keep up with the steady demand for containership space in the Port. There are now 15 container cranes servicing 13 fully-equipped container berths totaling 10,700 linear feet of space, while another five berths are under construction.

By 1973, the Elizabeth terminal will have over three miles of containership berthing space and represent a Port Authority investment of \$205 million. When fully operational, the facility is expected to handle 12 million tons of containerized cargo a year.

Construction

More than \$58 million in new Port Authority marine terminal construction and expansion was completed or under way at the end of 1972.

The development of the Elizabeth Marine Terminal was highlighted by the accelerated construction of Sea-Land Service Inc.'s new 232-acre container terminal and the expansion of Maher Terminal Inc.'s container facility on Newark Bay.

Construction surveyors mark off an area for future container handling and cargo distribution facilities at the Elizabeth Marine Terminal.

The new Sea-Land terminal, to be completed in 1973, will provide 4,519 feet of berthing space, 40-foot-depth berths, a turning basin, wider access channels to the berths and six shore-based gantry container cranes. Sea-Land, pioneer containership company, was the first tenant at the Elizabeth seaport when it opened in 1962. The new container terminal, specially designed to accommodate Sea-Land's new SL-7 class super-containerships which entered service on the North Atlantic in the fall, will complement Sea-Land's existing 132-acre terminal at Elizabeth. The 33-knot SL-7 vessels are 942 feet long, 105 feet wide, and can carry 27,000 tons of containerized cargo.

Expansion of the Maher Terminal at Elizabeth, to provide an additional 800 feet of berthing space and 63 acres of upland area, began during the year. The expanded terminal, to be completed in 1974, will comprise 2,400 feet of berthing space and 153 acres of supporting upland area including three container cranes and a 147,000 square-foot receiving and delivery building.

At Port Newark, the expansion of Universal Maritime Service Corp.'s container terminal on the Elizabeth Channel and the reconstruction of Berths 21 and 23 in the former Navy Area capped the year's construction activity.

Universal's expanded terminal will comprise 3,058 feet of berthing space, 60 acres of supporting upland area, and two container cranes upon completion in the fall of 1973. Additional receiving and delivery capacity will be provided by the construction of a new shed of approximately 154,000 square feet in the extended terminal area.

Reconstruction of Berths 21 and 23 in the former Navy Area has provided Port Newark with additional modern-

ized berthing facilities to accommodate ocean-going vessels. Work began during the year on the placement of fill and sand-surge within an area of 81 acres to provide firm footing for new marine terminal structures. Scheduled for completion in 1976, the Navy Area project will provide Port Newark with additional upland area along 2,500 feet of new berthing space. At that time, the Port Authority's total investment in Port Newark will be \$185 million.

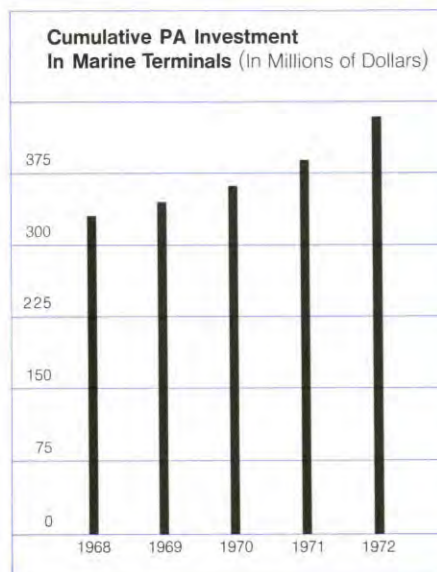
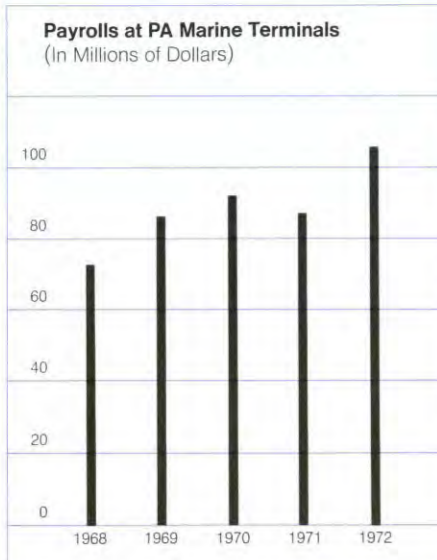
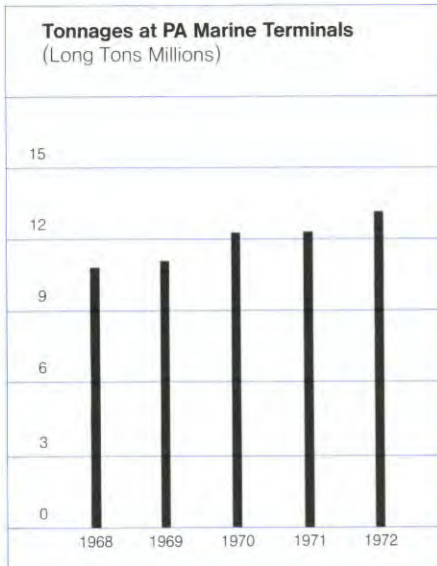
The Port Authority, under lease from the City of Newark, began the redevelopment and operation of Port Newark (opened in 1915) and Newark Airport in 1948.

Reconstruction of the historic Hoboken Piers began in 1952 under lease with the United States Maritime Administration and the City of Hoboken (dedicated in 1956 as the Hoboken-Port Authority Marine Terminal).

The Port Authority purchased two miles of Brooklyn waterfront from private ownership in 1956, which has now been rebuilt and modernized as the Brooklyn-Port Authority Marine Terminal. Also on the Brooklyn waterfront are the Erie Basin-Port Authority Marine Terminal (purchased from private ownership in 1958 and redeveloped) and the Columbia Street Marine Terminal (built in 1922 and transferred by the State of New York to the Port Authority in 1944).

The Elizabeth-Port Authority Marine Terminal, an entirely new container facility on Newark Bay in Elizabeth, New Jersey, was started in 1958 by the Port Authority and opened in 1962.

At the request of the City of New York, the Port Authority began construction of the Passenger Ship Terminal in 1971 along the mid-Manhattan Hudson River waterfront.



Multi-lingual "Golden Girls" began to provide helpful information and travel assistance to the first passengers arriving at the interim ship terminal facilities. They also will be part of the improved passenger services at the new Passenger Ship Terminal.

Passenger Ship Terminal

The Port Authority began operation of interim passenger ship terminal facilities in the New York-New Jersey Port on April 13 with the arrival at Pier 86 on Manhattan's west side of the Italian Line's S.S. Raffaello from Genoa. Attractive Port Authority "Golden Girls" in smart nautical blue and gold uniforms were on hand to welcome arriving passengers and smooth their way by offering information and debarkation assistance.

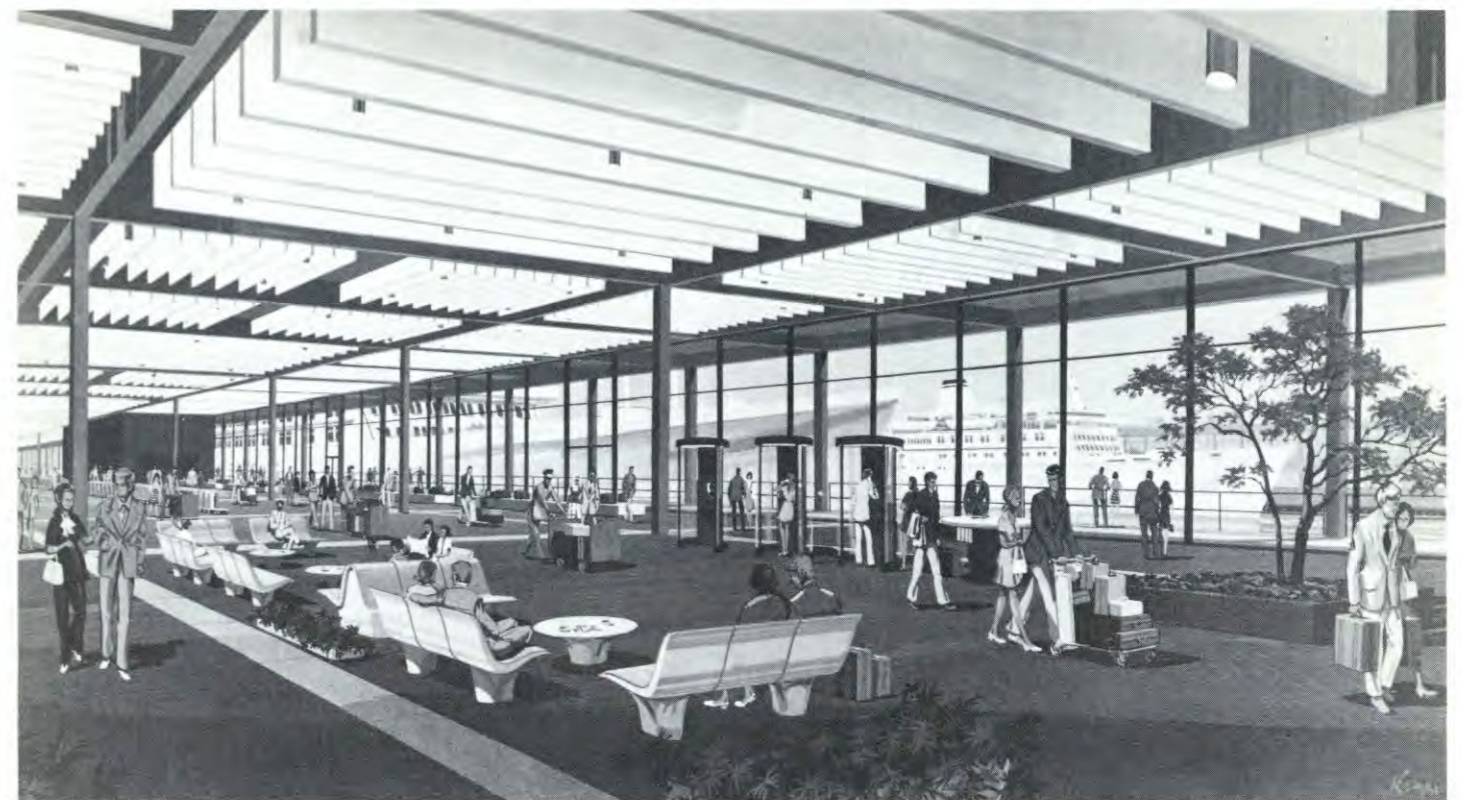
As construction progresses on a modernized six-berth Passenger Ship Terminal between 48th and 52nd Streets on Manhattan's Hudson River waterfront, interim passenger facilities are being provided at Piers 40, 84, 86 and 97.

The new terminal will be created by rebuilding the interiors of Piers 88, 90 and 92 and refurbishing their exteriors. In addition, Pier 40 at Houston

Street will be used as a companion three-berth facility, thus providing a total of nine steamship berths to accommodate trans-Atlantic and cruise liners.

Scheduled for completion in the spring of 1974, the new terminal will be financed principally by the City of New York and constructed and operated by the Port Authority under a 20-year lease. The bi-State agency will collect user charges from the steamship lines to cover the rental payments to the City and operating and maintenance costs.

The new terminal will provide temperature-controlled passenger lounges, improved customs and baggage handling facilities, roof-top parking for 1,000 cars, a ramp and roadway system that will permit rapid and easy loading and unloading of taxis and private automobiles, and passenger information and accom-



The interior of a temperature-controlled lounge of the new Passenger Ship Terminal, as it will look upon completion. The six-berth terminal, now under construction on the Hudson River between 48th and 52nd Streets, will accommodate trans-Atlantic and cruise passengers.

modation services upon completion.

The total project will cost an estimated \$36.9 million.

Elizabeth Expansion

Additional distribution space and upland marshalling areas required to meet future containerized cargo demands in the Port will be developed as a result of the Port Authority's second phase leasing of property from the Central Railroad of New Jersey. An agreement announced in July by Governor Cahill provides for the leasing of approximately 119 acres located contiguous to two parcels totaling 127 acres leased in 1971 from the CNJ.

The Port Authority will develop the combined 246 acres at an estimated cost of \$38.6 million to provide cargo buildings for export-import use and open distribution areas. In addition, a new 4,750-foot-long, four-lane road-

way linking Bay Avenue with North Avenue will be built on the leased property, thereby providing improved southerly access to the seaport.

In June, on its adjoining property, the CNJ officially dedicated its new rail container transfer yard—Portside Terminal. The 14-acre facility has the capacity to handle some 400 containers or trailers simultaneously and is expected to be an added stimulus to the flow of intermodal shipments to the port area.

The leasing agreements would provide the Central Railroad with substantial new revenues, and would bring the City of Elizabeth tax revenues from the railroad which could grow beyond \$1 million a year when both leased areas are fully developed.

Port Newark Annex

Port Newark will be expanded to accommodate the steadily growing vol-

ume of worldwide waterborne commerce. Under a proposed agreement, the Port Authority would lease from the Penn Central Transportation Company, for an initial term of 40 years, a 95.6 acre parcel of land north of the New Jersey Turnpike Extension and west of Doremus Avenue. On this site, the Port Authority would build about 830,000 square feet of cargo distribution space and approximately 2.3 million square feet of paved upland at an estimated cost of \$19 million. Rail service to the area would be provided by the Penn Central.

The agreement, pending approval of the City of Newark, would provide the Penn Central with substantial new revenues, and would bring the City tax revenues from the railroad which could grow to almost \$1 million a year.

Derrick Vessels Purchased

The Port Authority purchased three



Giant cranes and over a thousand acres for cargo handling and distribution make the Elizabeth Marine Terminal the containership capital of America.

heavy-lift derrick vessels from Raymond International Inc. at a cost of \$2.5 million to assure specialized lift capability to users of the New York-New Jersey Port. The three vessels—"Century," with a lift capacity of 500 tons, "Monarch," which can lift 250 tons, and "Constitution," 150 tons—can execute their lifts from point to point in the harbor, or from pier to ship and vice versa, handling the most cumbersome cargo into and out of the largest vessels afloat.

The derricks and their operating rights were subsequently leased by the Port Authority to Hoffman Rigging and Crane Service, Inc., one of the Port's heavy lift operators.

This purchase-lease arrangement has assured the pre-eminence of the bi-State Port in handling heavy-lift shipments and related cargoes that might otherwise have been diverted to competing ports.

Port Service Improvement Committee

The Port Service Improvement Committee, an interdepartmental Port Authority group formed in 1970, continued to make significant progress in improving service in the shipment of waterborne cargo through the bi-State port.

During the year, the Seaport Information Center located at Port Newark

handled over 30,000 inquiries from private individuals and transportation companies picking up or delivering cargo at the Port Newark-Elizabeth Marine Terminal complex.

Through an analysis of inquiries at the Information Center, the Committee determined that the preparation of documents accompanying waterborne cargoes significantly improved during the year. This was directly attributable to their development of orientation programs which acquainted new shipping industry personnel with ways to eliminate paperwork bottlenecks in ocean commerce. To assure a continuance of this improvement trend, a follow-up corrective action

program has been instituted with the full cooperation of forwarders, brokers and truckers to assure that documentation errors are minimized.

Allied to the improvement and accuracy of documentation is the development of the Port Information Service and Cargo Expediting System (PISCES). The system would consist of a large central computer network which would maintain the system's programs, control the remote computer terminals of individual port operating companies and hold the data on a pier-by-pier basis for all shipments moving through the port. The status of each individual shipment would be updated accurately and quickly as each processing step is completed.

The first phase of the system would consist of cargo tracing modules for import/export cargo and a truck appointment system on a pier-by-pier basis. A facility for the transmission of cargo data from overseas directly into the system is contemplated for Stage II. All aspects of the proposed system are within the present "state of the art" in computer programming and, in fact, each element is already in use by one or another agency or business in international commerce.

Some of the advantages to be obtained from such a system include a general reduction in the cost of processing goods through the port, a curtailment of pier congestion and the ability for all New York/New Jersey based industries to supply a port customer with instant information on the exact status of his shipments from the time they enter until they leave the port. The system would also provide an audit trail for each cargo shipment, thereby additionally strengthening cargo security in the port.

A feasibility study of the PISCES concept indicated that the proposed information and communications sys-



Century, the flagship of the Port Authority's new derrick fleet, prepares to lift heavy cargo from a cartfloat to an outbound ship at the Brooklyn wharfside.

tem was operationally and economically viable. Implementation of PISCES would do much to expedite the administrative procedures required for ocean transport and substantially improve the flow of commerce through the port.

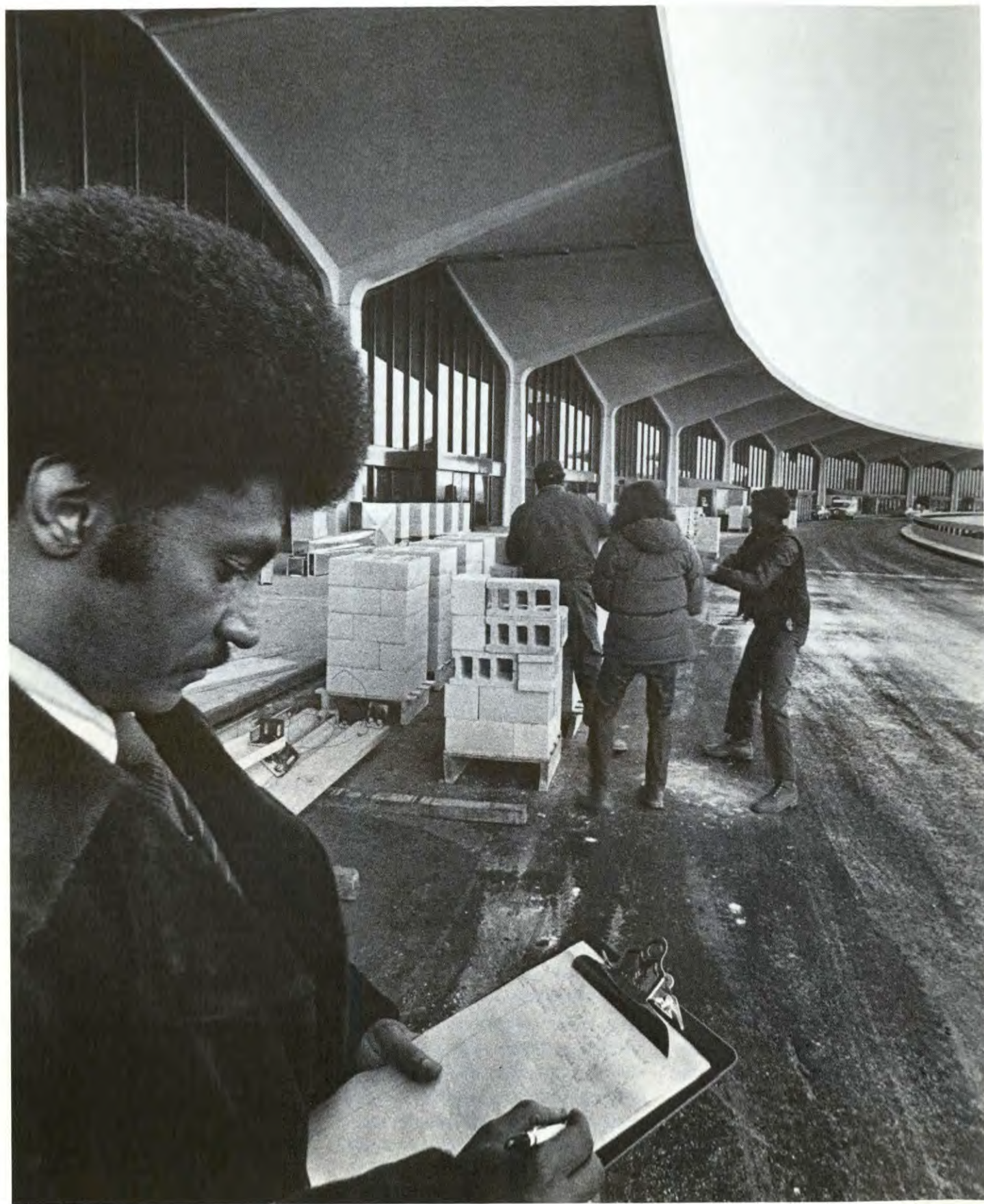
South Brooklyn Waterfront Redevelopment

At the request of the City of New York, the Port Authority has been working with the City in planning container terminal facilities to be developed jointly by the City and the Port Authority in Brooklyn along Buttermilk Channel, the waterway that separates Governors Island from South Brooklyn.

Discussions of physical and financial plans for this project continued with the City and the Brooklyn community.

Marine Terminals at a Glance

All Terminals	
Ship Arrivals	3,979
General Cargo (Long Tons)	12,182,955
Total Employment	10,365
Estimated Total Payroll	\$105,844,000
New Jersey Marine Terminals	
Ship Arrivals	2,363
General Cargo (Long Tons)	10,350,077
Total Employment	7,308
Estimated Total Payroll	\$73,443,000
New York Marine Terminals	
Ship Arrivals	1,616
General Cargo (Long Tons)	1,832,878
Total Employment	3,057
Estimated Total Payroll	\$32,401,000



Air Terminals

Plans moved forward to provide a high-speed rail link between Manhattan and John F. Kennedy International Airport and for direct PATH rail rapid transit service to Newark International Airport as part of an overall expansion of rail passenger facilities in the bi-State area. Development of this major rail mass transportation program by the Port Authority was announced jointly by Governor Cahill and Governor Rockefeller in mid-November. (See Page 6.)

The general recovery in domestic air passenger traffic, which was evident at the end of 1971, carried through 1972 and contributed to a substantial increase in regional air passenger volumes. The three major airports operated by the Port Authority—John F. Kennedy International, LaGuardia and Newark International—served 41.7 million passengers last year, a 9.2 percent gain over 1971, and a record high for the region.

The domestic total of 30.2 million passengers was 8.1 percent higher than the previous year. Overseas traffic, which had lost some of its momentum in 1971, also rebounded strongly. There were 11.5 million overseas passengers in 1972, an increase of 11.9 percent over the previous year.

The sharp increase in passenger traffic has not resulted in any significant growth in the number of aircraft operations. On the contrary, aircraft movements at the three airports rose only 1.5 percent during the year. The relatively minor increase is in part due to the increased use of wide-bodied aircraft with their greater seating capacity and in part due to continued airline improvement of load factors. Aircraft movements were also held down by the merger of Allegheny

Contract Compliance Officer checks work force at Newark International Airport under program to insure construction jobs for minority groups.

and Mohawk airlines and the strike of Northwest Airlines, which lasted for more than three months.

Indications are that aircraft movements will grow in the future at a considerably lower rate than passenger volumes. This is due to the fact that today, wide-bodied aircraft are in most cases operating well below capacity and more of these aircraft are scheduled to be delivered over the next five years. In addition to the wide-bodied Boeing 747 and Douglas DC-10 type aircraft already in service, the Lockheed L-1011, a wide-bodied tri-jet aircraft, was introduced at the airports during the year.

Expanding Capacity

An expected doubling of regional passenger demand by the end of the decade requires a continuing program of expansion within the present airport boundaries. At Kennedy International Airport, the \$150 million expansion of the Central Terminal Area, including a doubling of space in the International Arrivals and Airline Wing Buildings, was virtually completed during the year. Structural work on two of the three new Newark Airport Redevelopment Program terminals was completed and the airline tenants began work on finishing interiors. At LaGuardia, design work on a new multi-deck parking structure to be constructed adjacent to the airport's Central Terminal neared completion.

Steps were taken to improve intra-airport transportation at all three terminals in time for next summer. An order was placed for 24 specially-designed buses to carry passengers to and from parking lots and terminal buildings. The buses will have extra-wide doors to accommodate passengers with luggage and extensive storage capacity.

The taxi dispatch and the short-haul system, which was started ex-

perimentally in 1971 to assure patrons of taxi service on a first-come, first-served basis, regardless of destination, was extended through the Central Terminal Area at Kennedy and expanded at LaGuardia. A year-end survey showed taxi riders at both airports were overwhelmingly in favor of the new system, with over 80 percent rating it "excellent." Many of the riders added comments such as "This is the quickest and finest experience I

The Legislatures of the two States authorized the Port Authority to operate air terminals in the area in 1947. That same year, the Port Authority concluded a lease with the City of New York under which the bi-State agency assumed responsibility for further development and operation of LaGuardia Airport (built from 1937 to 1939) and New York International Airport (started in 1941 and opened in 1948). New York International Airport was rededicated as John F. Kennedy International Airport in 1963.

Under a similar lease with the City of Newark, the Port Authority assumed responsibility for further development and operation of Newark Airport (built in 1928) and the adjacent Port Newark facility in 1948. Newark Airport was renamed Newark International Airport in 1972.

The Port Authority purchased Teterboro Airport from a private owner in 1949. Pan American World Airways assumed the operation of Teterboro, which is devoted strictly to general aviation uses for business and private aircraft, under a long-term agreement with the Port Authority in 1970.

The Port Authority has also constructed two heliports in Manhattan on land owned by the City of New York—the West 30th Street Heliport (opened in 1956) and the Downtown Heliport (opened in 1960).



Taxi dispatch system assures passengers at LaGuardia Airport (shown here) and Kennedy Airport of taxi service on a first-come, first-served basis, regardless of destination.

have had in taking a cab at any airport in a major city."

Environmental Improvement

The Port Authority maintained its efforts during the year to improve the environmental impact of airport-centered activities. At Kennedy Airport, pollution councils were active in coordinating tenant anti-pollution procedures, and the equipment which was placed the previous year to collect or absorb oil pollutants from the airport drainage outfalls into the surrounding waters continued in operation.

In June, the Calspan Corporation, (formerly Cornell Aeronautical Laboratories, Inc.) of Buffalo was retained to undertake a comprehensive, two-year study of the effect of drainage from all Port Authority airports upon adjacent bodies of water, so that ultimately a program may be set up to control all phases of drainage. To observe and test the airport drainage system and its effects on the waters, the Calspan technicians adapted standard testing equipment and in a num-

ber of cases devised new instruments for the purpose. Observers from the U.S. Environmental Protection Agency believe that the Port Authority's environmental efforts could be used as a model for other airports and for the aviation industry as a whole.

An important step in moving toward an improved noise environment was the introduction of the L-1011 into scheduled service in the metropolitan area. The Lockheed three-engine aircraft joined the fleet of quieter aircraft, which includes the DC-10 and B747-200, that comply with the FAA's noise standard. Prior to the advent of L-1011 service, demonstration flights were conducted at LaGuardia Airport for community leaders. There was general agreement that the new aircraft was significantly quieter.

The experimental computerized preferential runway system at Kennedy—introduced in 1971 as a joint enterprise of the Port Authority and the FAA—was modified slightly and continued in operation in 1972 by the FAA. The computerized system is designed to reduce community annoy-

ance by more equitably distributing flights among communities and shortening the period of continuous overflights to which any one community is subjected.

On a national level, the Port Authority continued to urge the Federal Government to take action to reduce the noise of older jets. Legislation was supported which would require a program of retrofit—the acoustical modification of older aircraft. Through its membership in the Airport Operators Council International, an organization of public agencies that operate the nation's leading airports, the Port Authority endorsed an FAA proposal to apply noise certification standards to new production models of older aircraft.

Airport Security

In 1972, the Federal Aviation Administration, Congress and the State Department took steps toward solving a number of air transportation security problems including hijacking, bomb threats and other illegal activity, on a coordinated nationwide and international basis. Among those steps was a new series of Federal Air Regulations on anti-hijacking measures to be

implemented by the airlines and airport operators.

Master Security Plans were developed by the Port Authority for Kennedy, LaGuardia and Newark Airports to prevent unauthorized persons from entering air operations areas. These plans were approved by the FAA late in the year and went into effect.

The Port Authority also instituted additional security precautions in January 1973 and submitted a program to the FAA for providing additional law enforcement personnel at boarding gates. This plan calls for recruiting and training large numbers of new personnel to perform security duties beyond those already performed by the existing 360-man airport police complement.

In addition, the Port Authority has been actively cooperating with the airlines in implementing several security measures which the FAA required of the airlines. Special procedures have been developed for the loading and unloading of particularly sensitive flights, metal detection devices have been supplied to the foreign flag carriers and special baggage X-ray equipment has been purchased.

The Port Authority has developed

a coordinated plan with the FAA, local police and airlines that clearly defines each agency's role in attempting to terminate any hijacking activity at the airports.

Air Cargo

The region's airports handled a total of 1,117,000 tons of air freight during 1972. This represents a 10.3 percent increase over 1971, a year when tonnages were inflated by freight diversion from the piers during a two-month dock strike.

Almost all international cargo and most of the domestic cargo flowed through Kennedy International Airport. This movement was expedited by a number of factors—completion of six new cargo terminals, the increased number of wide-bodied jet aircraft now in service, the increasingly efficient use of cargo containers and the increase in electronic processing and transmission of data and documents. Newark International Airport shared in regional cargo growth, registering an 8.6 percent increase over the previous year.

Lufthansa built the largest of the new cargo terminals at Kennedy—a 137,000-square-foot, \$16 million fa-

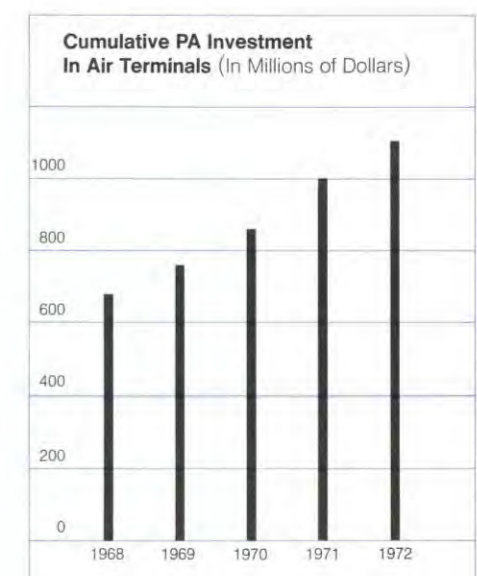
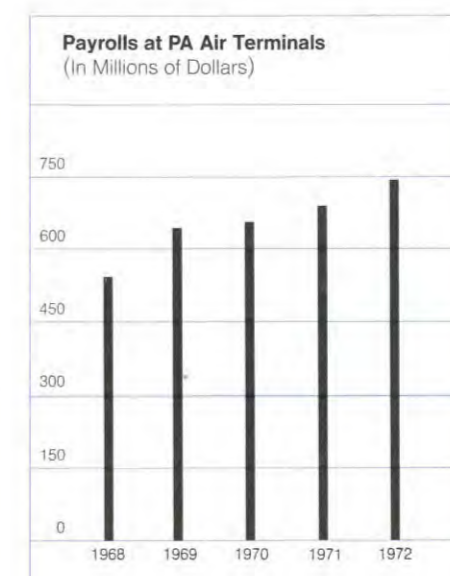
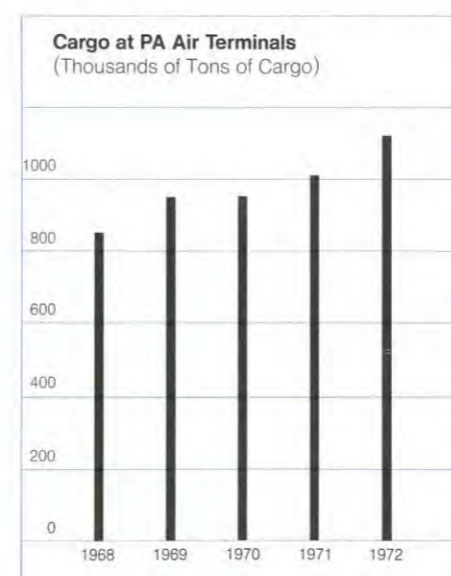
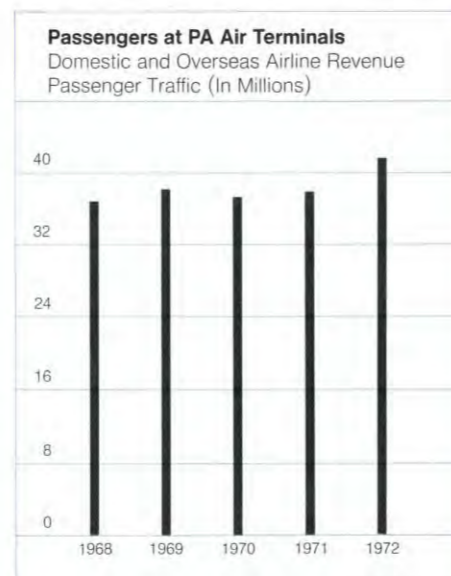
cility, which began partial operation in association with the airline's 747 freighter aircraft.

The Port Authority and the airlines are studying the feasibility of an electronic data processing system for import cargo documentation at Kennedy Airport. Such a system would be designed to reduce the time required to process paper work associated with import cargo and enhance the airport's ability to handle increased volumes of cargo with existing staff and facilities.

John F. Kennedy International Airport

A total of 20,725,000 passengers were served at Kennedy Airport during the year, a 7.3 percent increase over 1971. This increase was essentially due to a healthy 12.3 percent rise in overseas travel. In addition there was a modest rise of 2.1 percent in domestic travel which had shown a decline in 1971.

Construction at the airport was delayed somewhat by the prolonged strike of several construction unions. Work was virtually completed on the expansion of the International Arrivals and Airline Wing Buildings, including





New flight departure boards and expanded waiting lounges are among the improved services for patrons in the International Arrivals and Airline Wing Buildings.

the \$4 million enlargement of the lobby to 27,000 square feet—a 60 percent addition; all 40 second level loading bridges at 16 gates; and additional baggage handling facilities in the Customs area. The number of plane-gate gates was increased 20 percent. Screening was installed in the customs area for improved security. A new observation deck was installed on the building. In addition, most of the new tenant terminals within the complex were completed and all but three were in operation by year's end.

Still in progress is expansion of the Police-Operations Building. This includes enlargement of the Main Emergency Garage, housing the crash-fire-rescue vehicles, as well as an improved police security room, added office space and a new press room.

Construction in aeronautical areas included pavement overlays of large sections of Runways 4L-22R and 13L-31R and the rehabilitation of segments of Runway 4R-22L, including the installation of FAA-approved Touch Down Zone lights and the construction of a lengthened overrun area for this runway.

During the year, three new Instrument Landing Systems were installed and commissioned on Runways 4L, 22R and 31L and an approach lighting system was installed and commissioned on Runway 13L. Kennedy today is one of the world's most highly instrumented airports, with seven of the eight runway approaches instrumented.

The North Boundary Road, serving the northeastern sector of the airport and connecting it with the central

cargo and passenger areas, was doubled in width. A rampside service road, in the same sector, also was completed. In cooperation with the New York City Department of Highways, an improved airport access roadway has been constructed at 155th Avenue and 130th Street, a half-mile west of the Van Wyck Approach, relieving peak-period congestion around the Federal Circle.

Approximately 2,500 parking spaces were paved in Parking Lot 9 and 400 spaces were added to Lot 2 in the Liberty Fountain area. The computerized parking lot control system, which has been operating successfully at LaGuardia Airport, is being installed at Kennedy. With this system, the calculation of individual parking fees, their display to patrons, and system-wide bookkeeping are all per-

formed instantly and automatically.

Pan American World Airways completed 75 percent of a structural expansion of its unit terminal in the Central Terminal Area, and the Federal Inspection area in the expanded facility was placed in operation on June 1, 1972. This completed the decentralization of Kennedy's Federal Inspection facilities, which started with TWA and BOAC in 1970, and lightened the load on the Inspection Services at the International Arrivals Building, which once handled all of the airport's overseas arriving passengers and now handles about half of them.

Pan American virtually completed a 43-acre Major Maintenance Base, the only such civil aviation facility of its size in the Eastern United States. It includes a hangar which can accommodate four 747 aircraft, a jet overhaul building and a utility building.

With the completion of six new air cargo facilities, site preparation and planning was begun for several more cargo terminals. Air France converted Building 143, the former Standard Switchboard building, to a commissary. National Car Rental System, Inc. constructed a new airport headquarters, the third car rental building at the airport.

LaGuardia Airport

The revived growth in regional domestic air travel was reflected in an increase of 11.2 percent in passenger traffic at LaGuardia Airport, which now handles nearly half of the region's domestic air passengers.

The pace of construction increased at LaGuardia during the year as some \$15 million in improvements were completed. More than half of these were in aeronautical areas. Large portions of two major taxiways were relocated to provide adequate clearance between passing aircraft of the wide-



LaGuardia Airport, showing the fastest growth of the region's airports, handled 47 percent of the region's domestic passenger traffic—more than double its share of seven years ago.

bodied DC-10 and L-1011 types. Stretches of erosion paving, which keep the surface stable under the blast of the new, more powerful jet engines, were installed along the sides of the taxiways, along with centerline lighting and new directional signing.

In addition, the visual approach navigation system at LaGuardia was modified to conform with visual guidance requirements for wide-bodied aircraft using the airport.

In the central terminal area, work was completed on the pedestrian mall and canopy, additional curb frontage and the roadway signal system. Approximately 200 spaces were added to Parking Lot 5, and a new 900-space employees' parking lot was constructed near Bowery Bay. A new roadway was constructed at the 81st

Street entrance to the Marine Air Terminal Area, increasing driving safety and allowing room for construction of car rental facilities.



Director of Aviation Neal Montanus, flanked by State Senator Nicholas Ferraro, left, and Ralph De Marco, Executive Assistant to the Queens Borough President, planted the first of 41 trees as the final step in the regrading, fencing and landscaping of the Bowery Bay stockpile at LaGuardia Airport.



Structural work on Terminals A and B of Newark Airport Redevelopment Program was completed along with parking lots, roadways and lighting systems.



(Left) Interior of one of the new terminal buildings under construction at Newark Airport, showing how concrete and glass combine to create a soaring feeling of spaciousness. (Right) The first passengers to use the new customs inspection area at Newark International Airport were greeted by Fred R. Boyett, Regional Commissioner of Customs (center), Joseph L. Vanacore, General Manager of New Jersey Airports for the Port Authority (left) and Herman Simonse, Director of Economic Development, New Jersey Department of Labor and Industry.

The "Stockpile," a hilly waste area at the west end of the airport, was regraded, fenced and landscaped with plantings, and new sidewalks and lighting were installed at its borders.

American Airlines converted part of its hangar to passenger purposes, including a mezzanine passenger lounge, and constructed two overpass connections to the adjoining west end of the Central Terminal Building. Eastern Air Lines constructed new gates for its new wide-bodied aircraft. United Airlines installed two new loading bridges, and Trans World Airlines expanded its baggage handling facilities.

The taxi dispatch and short-haul system, similar to that of Kennedy International, was made fully operational and extended to all passenger areas of the airport.

Major airline tenants are planning to replace their present individual jet fuel storage facilities with a single \$9 million, 4-million-gallon "fuel farm" near Bowery Bay. To supply it, they will build a fuel pipeline from Long Island City, which will supplement the present barge transportation system.

Newark International Airport

Newark Airport was renamed Newark International Airport last year to reflect more accurately the full scope of airline service that will become available there when the Redevelopment Program is completed. The designation was approved by the Newark City Council and the Port Authority Board of Commissioners in recognition of the airport's enhanced future importance as a major international air terminal.

With the resurgence of air travel demand, the airport regained much of the passenger traffic it had lost over the two previous years. Last year the airport served 6,753,000 passengers, a 10.6 percent gain over 1971.

Construction work on the \$400 million Redevelopment Program went ahead on schedule during the year. Activity was halted temporarily when the Port Authority ordered suspension of certain work pending settlement of difficulties in implementation of the minority employment Affirmative Action Program adopted the previous year. All parties agreed to amicable settlements on the issues that existed and work is now expected to continue without interruption. Under the contracts covered by the program, from 29 to 37 percent of the construction workers are qualified minority journeymen.

Structural work on Terminals A and B was completed and interior finishing in the two terminals is expected to be completed in mid-1973. Exterior work in the Central Terminal Area was virtually completed with the new parking lots, roadways and lighting systems ready to go into service with the opening of the new terminals. An extensive landscaping and planting program was started which, when completed, will include 78,000 trees, shrubs, and ground cover plants.

Structural steel was erected for Terminal C, and work on the superstructure was started during the year. Terminal finishes are scheduled for completion in 1975.

Runway 4R-22L is being strengthened and extended and when reopened late next year, the airport will have a parallel runway system capable of handling the new wide-bodied aircraft and flights to most major European cities. As a temporary measure, new Customs inspection facilities have been housed in an annex to the existing Terminal Building. Pending provision of international facilities in new Terminal C, interim international inspection facilities will be provided in the existing terminal building when it is vacated by the airlines in 1973.

Teterboro Airport

Pan American World Airways, which operates Teterboro Airport for the Port Authority, continued to implement its master plan for development of the airport by completing construction of a four-hangar complex, and virtually completing a fifth hangar structure. Since beginning its operation of the airport on January 1, 1970, Pan American has invested approximately \$8 million in capital improvements at the airport.

An outstanding general aviation airport, Teterboro is operated as a public airport with no scheduled airline operations, except air taxi service to Kennedy, La Guardia and Newark airports. As a center for business and private aircraft operations, Teterboro handled some 267,000 landings and take-offs in this category, thereby relieving the region's other airports to a great degree.

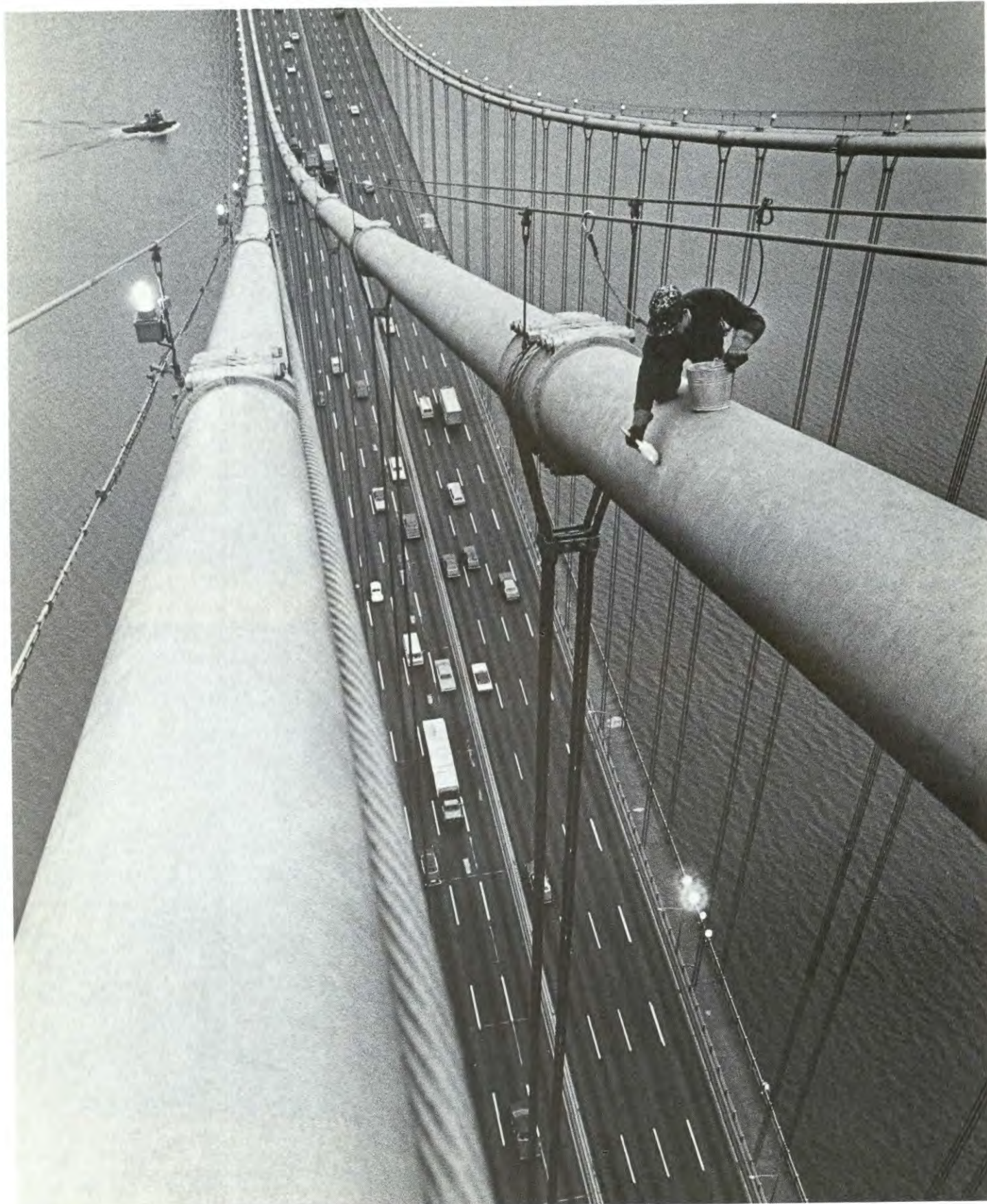
Airports at a Glance

Totals at the Three Major Airports	
Plane Movements	860,000
Passenger Traffic	41,713,000
Cargo—(tons)	1,117,000
Revenue Mail—(tons)	213,000
Total Employment	55,380
Estimated Total Payroll	\$745,000,000

John F. Kennedy International Airport	
Plane Movements	335,000
Passenger Traffic (total)	20,725,000
Domestic	9,580,000
Overseas	11,145,000
Cargo—(tons)	917,000
Total Employment	41,492
Estimated Total Payroll	\$550,000,000

LaGuardia Airport	
Plane Movements	321,000
Passenger Traffic	14,235,000
Cargo—(tons)	53,000
Total Employment	7,888
Estimated Total Payroll	\$115,000,000

Newark International Airport	
Plane Movements	204,000
Passenger Traffic	6,753,000
Cargo—(tons)	147,000
Total Employment	6,000
Estimated Total Payroll	\$80,000,000



Tunnels and Bridges

Traffic crossing the Port Authority's six vehicular facilities linking New Jersey and New York reached 159,476,354 vehicles in 1972, an increase of 3.3 percent over 1971. Short-run factors, notably a ten-week Transport of New Jersey bus strike and a toll change at the Triborough Bridge and Tunnel Authority facilities did, however, generate unusual growth factors at each facility.

Of the six bridges and tunnels, the strongest growth, 4.1 percent, was experienced at the George Washington Bridge. However, increasing congestion there is restricting the growth of the leisure-oriented motorist group, especially in summer peak periods.

The Holland and Lincoln Tunnels also showed the effects of mounting congestion, with some additional traffic resulting from the TNJ bus strike. Holland Tunnel traffic grew 4 percent over last year and the Lincoln Tunnel, 1.3 percent.

The Port Authority's continued investment in techniques which promote bus mass transportation, such as the two-year-old exclusive bus lane operation and the computerized tunnel traffic control system has improved the flow of traffic at the Lincoln Tunnel. In the morning peak period, approximately 80 percent of trans-Hudson commuters using the Lincoln Tunnel travel by bus.

To further encourage trans-Hudson auto commuters to switch to public transportation, a spot announcement program was developed and aired on two metropolitan area radio stations during the year.

Taped interviews with bus, rail and PATH commuters were used to suggest transportation alternatives to

commuters who drive. These highly successful announcements, which are broadcast without charge through reciprocal trade agreements, will continue in 1973.

At the Staten Island Bridges, growth was held down below normal levels. The Goethals Bridge registered a 3.4 percent gain, although increasing congestion, especially during the high volume weekend peak periods, was a limiting factor. Intensified construction particularly on the New Jersey connections to the Outerbridge Crossing contributed greatly to restricting growth there to a low 0.2 percent.

The Bayonne Bridge, third of the New Jersey-Staten Island Crossings, showed a 3.7 percent growth. This facility basically serves the local area around it, as the connections to major highways in New Jersey are limited.

The downward trend in the annual growth of leisure-oriented auto trips continued, and shows no sign of reversal. While commutation volumes grew strongly in 1972, responding to intensified housing activity in suburban New Jersey, they tapered off toward the end of the year as the housing boom subsided somewhat.

Truck traffic has failed to return as quickly as anticipated from the business decline of 1970-71, although positive signs of growth did emerge by year's end. One explanation for this low growth in the first three quarters of the year may lie in the fact that the economic recovery in the northeastern region has lagged behind that of the nation as a whole.

Regional Traffic

The Port Authority has continued to fulfill its role in the New York-New Jersey Metropolitan Region by providing safe and efficient facilities which are vital links in the northern and southern bypass routes around Manhattan. This bypass concept

evolved in the mid-1950's as part of a joint study of regional arterial highways by the Port Authority and the Triborough Bridge and Tunnel Authority. In 1972, two-thirds of all motorists using Port Authority crossings chose those which form parts of the bypass system — the George Washington Bridge on the north and the Staten Island Bridges on the south—rather than enter the Manhattan Central Business District directly through the two Hudson River tunnels.

At the southernmost of the Port Authority bridges, the Outerbridge Crossing, work is steadily moving

The two States enacted legislation authorizing the Port Authority to build, operate and maintain the Goethals Bridge and the Outerbridge Crossing in 1924 (both begun in 1926 and opened to traffic in 1928).

The following year, the two States authorized the Port Authority to build, operate and maintain the George Washington Bridge (begun in 1927 and opened in 1931; lower level begun in 1958 and opened in 1962). The Bayonne Bridge was authorized by New Jersey in 1925 and by New York in 1926 (begun in 1928 and opened in 1931).

The two States enacted the Bridge and Tunnel Unification Act in 1931 under which control, construction and maintenance of interstate bridges and tunnels within the Port District were unified under the Port Authority. Control and operation of the Holland Tunnel (begun in 1920 and opened in 1927) was vested in the Port Authority and its cost repaid by the Authority.

Also in 1931 the two States authorized the Port Authority to construct the Lincoln Tunnel (first tube begun in 1934 and opened in 1937, North tube opened in 1945; South tube opened in 1957).

Bridge painter touches up spots on one of the cables of the George Washington Bridge as part of continuing maintenance work between complete painting programs.

toward completion on the Staten Island and New Jersey connections. With these new connections, this facility will play an even more important role in the development of the Region, facilitating travel by motorists from southern and western New Jersey as well as the increasing number of motorists making longer trips in the Northeast Corridor. In the future, New York State's completion of the West Shore Expressway, combined with the present Staten Island Expressway, will provide a more direct limited access route between the Outerbridge Crossing and the Verrazano-Narrows Bridge. This will serve as an alternate to the heavily used Goethals Bridge route, and relieve some of the congestion there.

Looking to the northern bypass

route, completion of major portions of Interstate Route 95 and the Bruckner Interchange have temporarily alleviated some congestion affecting the George Washington Bridge. However, this northern route is rapidly approaching capacity on the New York side.

Research

Participation in the United States Department of Transportation's Urban Corridor Demonstration Program represented a major effort by the Port Authority during 1972 to develop new systems to increase the capacity of existing facilities and relieve traffic congestion located in one of the most heavily-traveled corridors of the country. As part of this experimental program, a Traffic Surveillance System

and an Automatic Bus Identification System were installed on Interstate 495 between the New Jersey Turnpike and the Lincoln Tunnel to gather data on the flow of vehicles using the corridor which is a direct connection to Manhattan's Central Business District.

The extensive computer experience previously developed by the Port Authority in the creation of its Tunnel Traffic Control System was utilized in creating these new systems, which rely heavily on the use of on-line computers for analysis and control purposes.

The development of a Traffic Surveillance System would further speed the movement of buses and passenger vehicles, particularly during peak hours. The study of this system is being done with the New Jersey Department of Transportation and the New Jersey Turnpike Authority.

The potential benefits of an automatic bus identification system include priority access to flow-controlled arterials, better adherence to schedules, as well as better information for fleet control and dispatching. The Port Authority is directing the test of this concept, in cooperation with the New Jersey Department of Transportation, the New Jersey Turnpike Authority and Transport of New Jersey. Several vehicle identification systems will be field tested for accuracy, reliability and economy.

Exclusive Bus Lane

The exclusive bus lane continued to provide rapid, on-time public transportation service each weekday morning for 35,000 New York-bound bus commuters from Northern New Jersey and Rockland and Orange Counties in New York, saving them from 10 to 25 minutes in their commuting trip. The eastbound bus lane is operated between 7:30 and 9:30 a.m., utilizing the median lane of the

westbound roadway during that period.

The Port Authority, the New Jersey Department of Transportation and the New Jersey Turnpike Authority signed a permanent operating agreement during 1972, covering the procedures

and financing arrangements under which the Port Authority will continue to operate the bus lane. The New Jersey Department of Transportation and the Port Authority will pay equal shares of the operating cost while the Turnpike Authority will provide staff

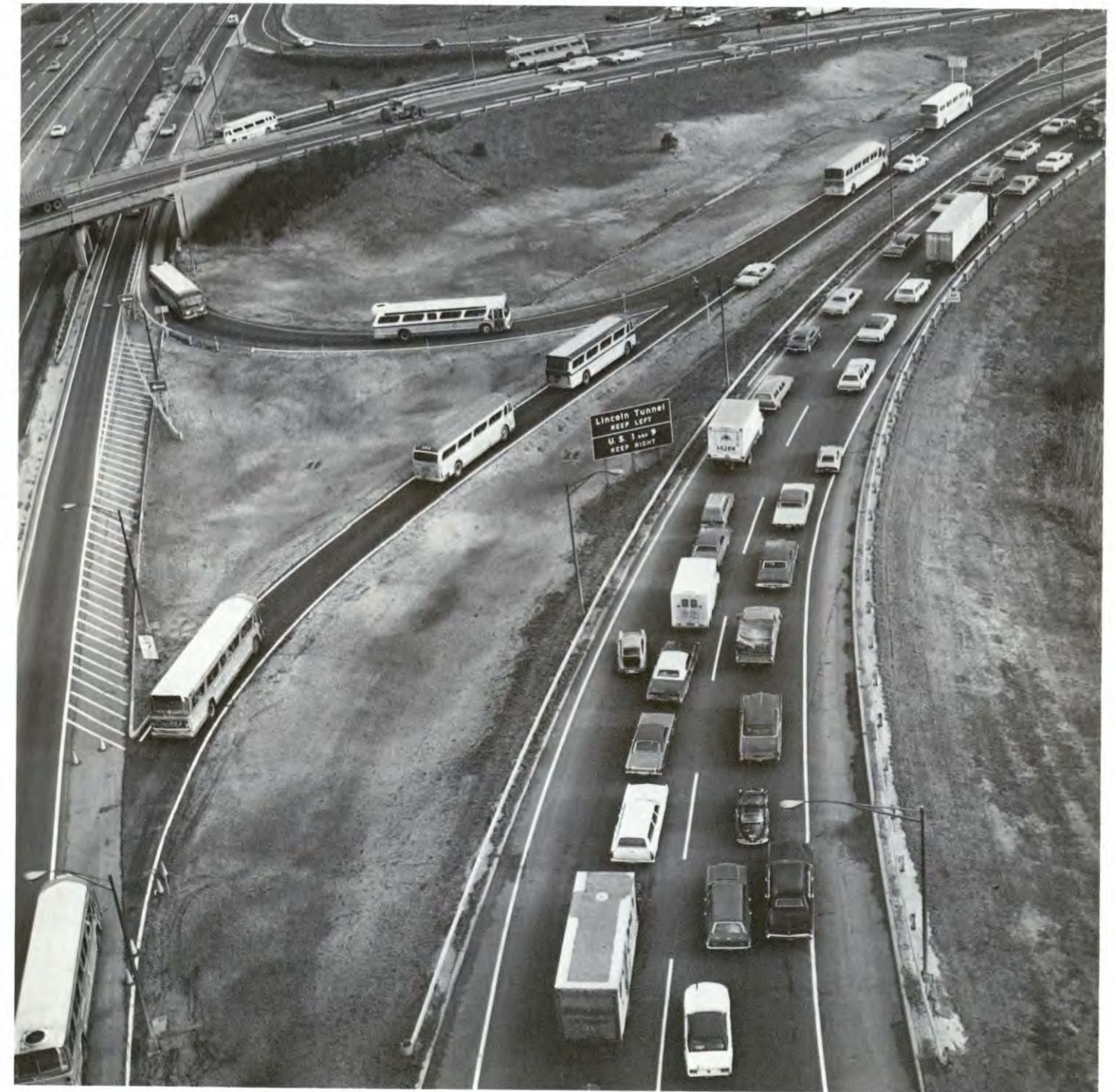
assistance to the project.

Preliminary engineering has been completed for the bus lane's permanent traffic control system, to replace the interim manual devices with automated, remote-controlled equipment. Discussions with Federal officials dur-

A bridge has never before been painted at night, but the George Washington Bridge finished a six-month night-time paint job on the lower level at the end of the year.



Exclusive bus lane on the New Jersey approach to the Lincoln Tunnel continued to save travel time every weekday for 35,000 Manhattan-bound commuters.





Concrete and steel median barrier was installed on the Goethals Bridge and its approach roadways in 1972.

ing 1972 established that the permanent traffic controls were eligible for Federal funds.

The New Jersey bus lane operation continues to have widespread impact on the whole bus rapid transit field in the United States and abroad. Port Authority staff assisted planners of similar projects adopted in Boston and New York City during 1971 and in San Francisco in 1972, and have supplied information to many other transportation officials.

Outerbridge Crossing Toll Plaza

Construction of a new Staten Island toll plaza and approach roadway got under way during the second half of the year at the Outerbridge Crossing. Direct connections will be provided between the Richmond Parkway and West Shore Expressway and the bridge, as well as with local streets. When completed, the plaza will have seven new toll lanes and a new Field

Service Building.

Portions of the plaza roadways were opened to traffic late in the year when the southernmost section of the Richmond Parkway was opened by the New York State Department of Transportation. Work on the plaza facilities will continue into 1973 with completion anticipated in about two years. The existing toll booths and Service Building will continue in operation until the new plaza is completed. At that time the old structures will be removed to make way for the final roadway connections.

Goethals Bridge Median Barrier

Continuing a program to enhance safety at Port Authority facilities, a concrete median barrier was installed on the center line of the Goethals Bridge in 1972. The barrier, similar to the one that has been so effective at the George Washington Bridge, separates eastbound and westbound

traffic on the bridge and the 6,000-foot-long viaducts.

As part of the installation, a traffic control system is also being constructed and is expected to be operational by the early part of 1973. The system consists of traffic signals spaced at intervals on the bridge and its approaches, controlled by police from the Administration Building. It will be used to expedite the passage of emergency equipment responding to disabled vehicles and when lane closings are required for repairs to the bridge.

Toll Collectors Celebrate Tenth Anniversary

The first non-Police Toll Collectors—all women—arrived at the Tolls Training Center, George Washington Bridge on September 24, 1962. They were the vanguard of an eventual group of almost five hundred women who subsequently assumed all toll collection duties at the Port Authority's six Hudson River crossings.

These women won the respect of all with whom they came in contact, meeting many challenges and developing into an outstanding group from which most supervisory promotions have been made.

The present complement of Toll Collectors now includes men and women.

New Emergency Vehicle

During the year, new emergency trucks of Port Authority design began to be assigned to the tunnel and bridge facilities for which they were built. Each truck has a lift-and-tow capacity of 15,000 pounds and a straight tow capacity of 70,000 pounds on a 4 percent grade. Standard equipment on the fleet of 16 trucks includes a front-end electric winch, a fire extinguisher system using dry powder, foam, or light water,

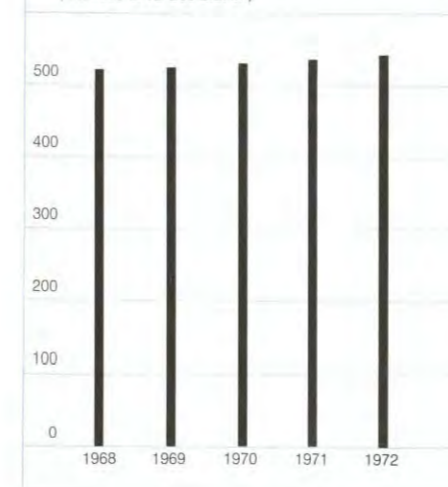
a reel of hose connectable to a hydrant and standard commercial equipment such as a battery charger and booster, a water tank heater for winter, first-aid breathing apparatus, lights, tools and jacks.

The truck's design, with its incredibly short turning radius, its speed, power and adaptability, has generated interest nationally, with governmental agencies requesting specifications and design drawings.

Crossings (traffic in thousands)

	1972	1971
All Crossings		
Automobiles	139,252	133,899
Buses	3,101	3,573
Trucks	14,123	16,890
Total Vehicles	159,476	154,362
George Washington Bridge		
Automobiles	70,085	67,250
Buses	512	599
Trucks	6,570	6,248
Total Vehicles	77,167	74,097
Lincoln Tunnel		
Automobiles	26,425	25,562
Buses	2,396	2,781
Trucks	3,788	3,850
Total Vehicles	32,609	32,193
Holland Tunnel		
Automobiles	17,346	16,600
Buses	78	82
Trucks	3,829	3,763
Total Vehicles	21,253	20,445
Staten Island Bridges		
Automobiles	25,396	24,487
Buses	115	111
Trucks	2,936	3,029
Total Vehicles	28,447	27,627

Cumulative PA Investment In Tunnels and Bridges (In Millions of Dollars) (Includes GWB Bus Station)



In 1972, women toll collectors celebrated ten years of service at the Authority's six interstate crossings.



Improved emergency trucks have short turning radius to facilitate removal of disabled vehicles. This is one of 16 such trucks assigned to all tunnel and bridge facilities.



World Trade

More than 300 firms and organizations involved in all aspects of international trade were housed in The World Trade Center by the end of 1972. This growing community of world trade organizations, the inauguration of unique world trade communications services and the first full year's operation of the World Trade Institute began to establish the Center as a focal point for the transaction of international trade in the bi-State Port District. Despite a crippling strike which slowed construction and move-in activity appreciably during the last half of the year, the first tenants moved into the South Tower Building and the Northeast Plaza Building during the year, and the first consumer services went into operation, including tenant parking and restaurant facilities.

At year's end, more than 7,000 people employed by tenant firms were working at the Center. Their activities covered the full range of world trade operations including exporting, importing, freight forwarding and custom brokerage, international banking, shipping and supporting services.

Construction and Operations

The onset of a general building trades strike which lasted from July to September of 1972, and the prolongation into 1973 of an elevator constructors strike, severely hampered interior finishing work.* As a result, new tenant move-ins came to a virtual standstill after July 1st. Prior to the strike, over 125 tenants were assisted in relocating to The World Trade Center during the first six months of 1972.

*The strike ended in February 1973.

World Trade information specialist uses Interfile computer to locate marketing information for inquirer and provide print-out of the precise data requested.

Despite the strike, work continued on important components of the project. The old Hudson and Manhattan Terminal Building at 30 Church Street, the last building remaining on the 16-acre site, was removed during the year and foundation work continued on the Southeast Plaza Building, which will occupy the former 30 Church Street area. Considerable progress also was made on the construction of the Center's park-like open plaza. At year's end the bulk of the cut stone paving for the plaza area had been placed. By mid-year a 17½-foot diameter sculpture, commissioned for the plaza's fountain area, had been put into place. The bronze sculpture is the work of the well-known artist Fritz Koenig of West Germany.

Throughout the year a program was continued for increasing minority participation in the skilled trades in both the construction and operations areas. In addition, a number of qualified minority contractors were awarded construction and alteration contracts. Special efforts have been directed toward the recommendation of competent minority entrepreneurs to operate retail stores at the Center and to assist them in the establishment and operation of their businesses.

New York City fire safety legislation for high rise buildings, which became effective in stages last year, was considered throughout construction of The World Trade Center. A comprehensive program conforming to the new code, which requires tenant training sessions and fire drills, was completed and in operation by the fall of the year. The overall fire safety program was developed in cooperation with all tenant firms whose representatives continue to receive specialized training in fire reporting and emergency evacuation procedures by a specially appointed fire director.

Adjustments in building systems

were being planned at year's end to conform to other features of the new code issued late in December.

Supplementing this broad program is an intensive fire prevention program which assures proper storage of combustible materials, routine maintenance of exit signs and related lighting, and regular checks of corridors and aisles throughout the complex.

Information and Communications

In the spring, the World Trade Information Center began operations in temporary quarters on the 33rd floor of One World Trade Center. During the year, hundreds of international businessmen used the capabilities of the World Trade Center's Interfile system, a computerized index of information services. Similar to an automated library, Interfile enables an inquirer to determine in seconds which

The flow of international commerce through the New Jersey-New York Port is the foundation of the economy of the region, and the Port competes with other ports for that business. In accordance with the Port Compact of 1921, the Port Authority, therefore, carries on a continuing program to encourage the shipment of cargo via this port. To accomplish this program, the Port Authority maintains Trade Development Offices in Chicago (opened in 1945), Cleveland (1948), Washington (1948), New York (1955), London (1958), Zurich (1958), San Juan (1959), Pittsburgh (1959), and Tokyo (1966).

The two States directed the Port Authority to develop a new facility of commerce in 1962—The World Trade Center—to promote the flow of international trade through the port. Construction of the Trade Center began in August 1966; the first tenants moved into the complex in December 1970.



The World Trade Center, overlooking the heart of the bi-State Port, began to take its place in 1972 as the focal point for the transaction of international trade.

reports and studies are available to assist him with his specific information requirements. Facilities are also on hand to obtain the specific publications either "off-the-shelf" or by ordering them from source agencies.

Interfile has been developed in cooperation with the World Trade Centers Association, with trade centers all

over the world contributing to the data base. Beginning in 1973, other trade centers will be able to access Interfile services instantly through the use of a computer terminal and a local telephone call.

Throughout the year, the Port Authority continued to play a leading role in the development and growth

of the World Trade Centers Association, whose membership now consists of 74 organizations in 29 countries operating, developing or interested in world trade centers in major commercial cities. Indicative of the growing interest of the world trade center idea was the attendance by more than 300 executives from 35 nations at the

World Trade Centers Association's General Assembly in Rotterdam in June 1972.

Another first for The World Trade Center during the year was the inauguration of the Electronic Yellow Pages Service, which is located in the lobby of One World Trade Center. Developed and operated by the New York Telephone Company for the Trade Center, EYPS is an automated directory of World Trade Center tenants. It is designed to match tenant activities with the interest of visitors to the project. By merely indicating his specific interest—for example import agents—a visitor can get in seconds a free printout of appropriate World Trade Center tenants. Each tenant receives one free listing with his regular telephone subscription and may purchase additional listings or advertising copy for a nominal fee. Through the use of a free "hot line" service, visitors can make instant contact with any tenant to get information or make arrangements for a face-to-face meeting.

Work continued throughout the year on the development of the Integrated Communications System which will streamline world trade marketing, servicing and processing. The facilities and services to be provided by this communications system include the storage and distribution of world trade data, the transmission by electronic means of world trade documents, computer time-sharing for normal business and world trade operations, and a new electronic central office for telephone services.

World Trade Institute

In its first full year of operation, the World Trade Institute, the educational arm of The World Trade Center, offered a total of 70 courses, meetings, seminars and conferences running the gamut of all phases of international



An automated directory of World Trade Center tenants—the Electronic Yellow Pages Service—was installed in the lobby of One World Trade Center during the year.



Additional consumer services, such as this new branch of Bank of Tokyo Trust Co. in the Northeast Plaza Building, began operations in The World Trade Center.



Technicians and manufacturers discussed export potentials of products from 15 countries during a two-week seminar at the World Trade Institute. It was the first product adaptation show, as well as the first event to use exhibit facilities at the Trade Center.

trade activity. During the past year alone, more than 1,500 businessmen and government officials from all over the world participated in these innovative courses and meetings which were aimed at improving the ability of all levels of management to cope with trade problems and opportunities.

Institute programs offered during the year included briefings on specific world markets, working sessions on new trade developments, basic "how to" courses in trade and transportation, intensive language training and symposia on matters having broad implications for international business development.

A two-week Consultation Meeting on Product Adaptation for Export was co-sponsored by the Institute, the United Nations Industrial Development Organization, and the United States Agency for International Development. The first show of its kind, as well as the first event to utilize exhibit facilities at The World Trade Center, this unique technical assistance "clinic" brought together some 100 manufacturers from 15 developing countries.

At the meeting, representatives of the developing nations received specific advice from American technicians, merchandisers, designers and importers on how their products might be adapted to compete in international markets.

To keep businessmen abreast of new developments in the international trade field, the Institute held a number of sessions which focused on trade trends in specific areas. The international challenges proposed by important regions of Asia were the subject of two special area seminars: one on Southeast Asia and another on Japan.

Opportunities for increased business between the U.S. and seven eastern bloc nations were explored at a major East-West Trade Consultation Conference late in the year.

Another facet of the Institute's broad program of international business training involves instruction in various languages. In addition to business oriented courses in French, Spanish and Japanese, the Institute provides special courses in English to members of New York's International business community. These courses are particularly pertinent in that they combine language teaching with valuable information about living and working in the New York area.

The School of World Trade, established in 1953 to provide practical instruction for those engaged in world

trade or allied activities, became an integral part of the World Trade Institute. Under the aegis of the Institute, the original purpose of the School—sound business instruction at reasonable tuition rates—will be preserved. As part of this program some 14 courses covering various aspects of international trade concepts and international transportation began in the fall of the year.

Protecting and Promoting the Port's Commerce

The Port Authority continued its efforts in 1972 to insure that transportation charges and services here remain competitive with those available through other ports and to encourage the shipment of export/import cargoes via the bi-State Port.

Major volumes of U.S. foreign trade handled at the New York-New Jersey Port are an integral part of the level of business activity in the region, and any changes in the level of this trade are immediately reflected in the economy of the Port District. Expanded trade, meanwhile, results in increased job opportunities and earning capacity for residents of the New York-New Jersey Port area.

Since the bi-State Port is among the first to feel the depressive impact of restrictionist U. S. trade legislation, the Commissioners of the Port Authority have traditionally brought the consequences of such proposals to the attention of port area legislators.

In carrying out its responsibility to promote and protect the commerce of the Port District, the Port Authority participates in proceedings before Federal regulatory agencies including the Civil Aeronautics Board, the Federal Maritime Commission and the Interstate Commerce Commission. Our aim is to insure that Port District passengers, shippers and carriers get transportation rates which are fair and

competitive and services which are fully adequate to market demands.

The Port Authority successfully participated in the 1972 round of railroad rate increases to insure that any increase allowed by the Interstate Commerce Commission did not result in a disruption of existing port relationships. In its order authorizing the latest increase, the Commission required the rail carriers to act promptly to restore any such disruptions if they occur.

A landmark case before the ICC in which the Port Authority had been party for several years came to a successful conclusion with a court decision upholding an ICC finding that Eastern Railroads could not assess an additional 4 cents per one hundred pounds on waterborne freight moving through the North Atlantic Ports. This additional charge had been consistently opposed by the Port Authority. Under Commission findings, shippers who have paid this charge are authorized to file for reimbursement.

During 1972, the Port Authority appeared before the ICC and the FMC to support improvements in transportation services or to protest discriminatory charges that would affect the movement of cargo via the New York-New Jersey Port.

In five cases before the Interstate Commerce Commission, the Port Authority supported: the Central Railroad of New Jersey's successful request for inclusion of its Elizabeth rail yard in the New York Exempt Zone to allow shippers or receivers to use unregulated motor transportation for trailer or flat car movements; the unsuccessful application by True Transport, Inc. to obtain additional operating rights to transport marine containers between New York Commercial Zone and points in Middle Atlantic States and New England; Penn Central's published reduced TOFC rates to meet

Canadian competition (ICC 35435) pending; the Virginia State Ports Authority's petition for an investigation of the TOFC and COFC freight rate structure between North Atlantic ports and Central territory—which was denied (ICC 35475); and the successful establishment of a new rail connection between the CNJ and the Erie Lackawanna Railway at Lake Junction, New Jersey, for expedited service to and from the Port Newark-Elizabeth marine terminal complex (I&S 8667 Sub #1).

To protect the competitive position of the bi-State Port, the Port Authority also participated in proceedings before both the FMC and the ICC dealing with: New York Terminal Conference's surcharge on truck loading and unloading—we intervened to assure that level of surcharge would not be detrimental to the commerce of the Port (FMC 65-39 and FMC 65-46); procedures for handling truck freight at piers in the Port—we intervened to be assured that an equitable detention rule would be established (FMC 69-28); New York Shipping Association's formula for assessing charges to cover ILA fringe benefits—we opposed the agreement, which would have meant higher shipping costs (FMC 69-57); whether rates maintained by certain carriers operating in the U.S. Atlantic/Puerto Rico trade are just and reasonable—we intervened to protect the competitive relationship of New York versus Florida ports (FMC 70-6); the absorption by Sea-Land of motor carrier charges instead of providing direct water service to Portland, Oregon—we participated to prevent the establishment of a principle of law detrimental to our Port (FMC 70-19) pending; certain terminal practices of the Port of Seattle in violation of the 1916 Shipping Act, (FMC 70-50) pending; Marine and Marketing International's reduced rates on automo-

biles shipped from Jacksonville and Miami to Puerto Rico, since rates from New York to Puerto Rico are competitively related with those from Florida—the reduced rates were cancelled (FMC 72-14); the Associated Latin American Freight Conference and the Association of West Coast Steamship Companies proposed charges for wharfage and handling on cargo between Latin American ports and U.S. Atlantic and Gulf ports—we successfully opposed these charges along with the City and State of New York (FMC 71-87, 88); the Pacific Westbound Steamship Conference's proposed Dual Rate System which required shippers to make all

shipments to the Far East via West Coast ports—we successfully requested the FMC to require the Conference to amend tariff wording to prevent this practice (FMC 71-54); steamship lines' proposed pooling agreement for container services between U.S. North Atlantic ports and Europe, (FMC 72-17) pending; a rule making proceeding in connection with proposed rules covering motor carrier detention at piers, (FMC 72-41) pending; the Penn Central's additional charges on all traffic handled in carfloat and lighterage service in the Port, which the ICC approved, granting lower charges (I&S 8645); the Erie Lackawanna's tariff provision to do

away with lighterage service—we protested because steamship lines in Brooklyn would be adversely affected and pending outcome of (ICC 35634)—Erie Lackawanna's plus charge on lighterage service pending, (I&S 8726); and an important investigation of export/import rate relationships as they apply to various port groups (Ex Parte 270-Sub #1, 1a, 1b) pending.

In a rate case before the CAB, in which the Port Authority is party, air cargo rates between European points and New York compared with rates between Europe and Baltimore, Boston, Chicago, Cleveland, Detroit, Philadelphia and Washington, D. C. were investigated. The other cities

asserted that they were discriminated against by a transatlantic rate structure generally higher than New York's. The Administrative Law Judge recommended equal or common rates for East Coast cities with rates to and from interior points based on mileage. The CAB, however, reversed its judge in this case (Docket 20522) and decided that the rates be proportional to mileage as the Port Authority had urged.

In another case, the CAB is reviewing air service between New York/Newark and 25 New England points. The issues include whether additional air service should be authorized and, in most of the markets, whether the authority of the incumbent carrier should be deleted, suspended or transferred to another carrier. Since most of the markets have relatively small traffic potential, the Port Authority is supporting continued certification of a trunk or local service carrier in only ten of the New York/Newark markets—Bangor, Portland, Lebanon/White River Junction, Manchester/Concord, Keene, Burlington, Worcester, Hyannis, Nantucket and Martha's Vineyard. The case (Docket 22973) awaits a decision by the Administrative Law Judge.

The Port Authority also participated in the following CAB proceedings dealing with: air taxi regulations—we supported an expansion in the maximum number of passengers which an air taxi can carry and the CAB

adopted a new limitation of 30 passengers or 7,500 pounds of payload (Docket 21761); V/STOL air service—we suggested establishment of a national V/STOL development program and the CAB decided V/STOL air service is needed and feasible, but is proceeding slowly with the designation of a carrier or carriers to provide the service (Docket 19078); airline agreement to reduce flights—we supported agreement to reduce overcapacity and the CAB approved (Docket 22908); whether the CAB should designate specific Port District airports for flights in certain markets—we prefer that the CAB not limit the airlines ability to serve any airport (Docket 18401); the need for additional air service to Europe—we are seeking intervention since CAB excluded New York from U.S. points it is considering for new service (Docket 19255); and service to Puerto Rico—we supported inauguration of service to Ponce (Docket 22508).

Promoting the Port

It is important that the Port Authority not only protect the commerce of the Port District, but also actively promote it. The twenty-man Trade Development team working from offices located in important manufacturing and cargo generating areas in the United States and overseas made 10,140 calls on shippers and receivers in 45 states and 62 foreign countries during 1972.

This team offers assistance on transportation problems and information on the unexcelled facilities and service available at the New York-New Jersey Port.

The Port Authority continues to make extensive use of brochures, leaflets, audio-visual aids, advertising and a monthly magazine to publicize the advantages of the bi-State Port.

New and revised Steamship Services and Information Directories, a World Trade Atlas, and a Trade Services Directory were distributed during the year. "Portrait of a Port," a promotional film, continues in active use with a total of 178 prints in six languages being circulated on a worldwide basis. This film portrays the dynamic atmosphere generated by a port at work by taking the viewer behind the scenes.

In 1972, the Port Authority's port promotion advertising program carried the message to the international trade community in 24 of the most respected and prominent domestic publications. The overseas program, an important adjunct to the efforts of the overseas Trade Development activities, prepared a series of foreign language ads which were carried in 70 publications in 28 countries.

Coverage of new port facilities and services are highlighted in *Via Port of New York*, the monthly commerce magazine, which is distributed to over 32,000 readers in the United States and abroad.



More than 1,500 businessmen and government officials from all over the world took part in courses, seminars and conferences at the World Trade Institute.

Administration



James C. Kellogg III
Chairman



William J. Ronan
Vice Chairman



W. Paul Stillman



Walter Henry Jones



Bernard J. Lasker



Gustave L. Levy



James G. Hellmuth



Andrew C. Axtell



Philip B. Hofmann



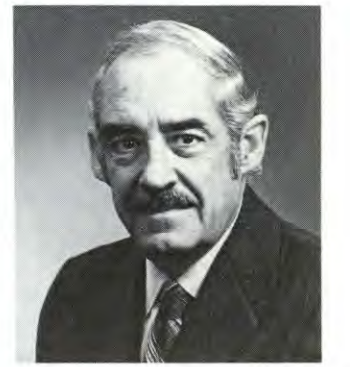
Jerry Finkelstein



Robert R. Douglass



Rev. Victor R. Yanitelli, S.J.



Matthias E. Lukens
Acting Executive Director

The Port Authority of New York and New Jersey was created on April 30, 1921, by Compact between the two States to act as their Port development agency. It was the first public authority in the United States.

The Authority consists of twelve Commissioners, six appointed by the Governor of New York and six by the Governor of New Jersey, to serve overlapping six-year terms without compensation or fees of any kind.

Members of the Board of Commissioners are leaders in business, finance, law and public affairs.

Chairman James C. Kellogg III of New Jersey is the senior partner of the brokerage firm of Spear, Leeds

and Kellogg, and a former Chairman of the Board of Governors of the New York Stock Exchange.

Vice Chairman William J. Ronan of New York is Chairman of the Metropolitan Transportation Authority.

Andrew C. Axtell of New Jersey is General Manager of Hobart Welder Sales and Service Division of Hobart Brothers Company.

Robert R. Douglass of New York is a member of the firm of Milbank, Tweed, Hadley and McCloy.

Jerry Finkelstein of New York is Chairman of the Board of the Struthers Wells Corporation.

James G. Hellmuth of New York is Vice President of the Bankers Trust New York Corporation.

Philip B. Hofmann of New Jersey is Chairman of the Board and Chief Executive Officer of Johnson & Johnson.

Walter Henry Jones of New Jersey is a former State Senator who now specializes in corporate law.

Bernard J. Lasker of New York is senior partner in the brokerage firm of Lasker, Stone and Stern, and a former Chairman of the Board of Governors of the New York Stock Exchange.

Gustave L. Levy of New York is senior partner in the firm of Goldman, Sachs and Company, and a former Chairman of the Board of Governors of the New York Stock Exchange.

W. Paul Stillman of New Jersey is Chairman of the Board of the First National State Bank of New Jersey and of the Mutual Benefit Life Insurance Company.

Rev. Victor R. Yanitelli, S.J., of New Jersey is President of Saint Peter's College.

The year was saddened by the death of Commissioner Sidney S. Hein on April 1, 1972, at the age of 64. He was appointed to the Board by

Governor Nelson A. Rockefeller in 1969. Although Commissioner Hein served the Port Authority for just two and a half years, he participated in its work with all his vigor and all his strength and all his sparkle — as he did in everything he undertook. His devotion and his enthusiasm will be sorely missed in the Port Authority.

At the Board's annual meeting, April 13, 1972, Commissioner Kellogg was re-elected to his fifth term as Chairman.

Chairman Kellogg was first appointed to the Port Authority Board by Governor Meyner in 1955, reappointed by Governor Meyner in 1960 and by Governor Hughes in 1966. In July 1972 he was reappointed by Govern-

or William T. Cahill. He became Vice Chairman of the Board in 1960, and was first elected Chairman at the Board's annual meeting in 1968.

In May 1972, after re-election to his third term as Vice Chairman at the annual meeting, Hoyt Ammidon of New York resigned from the Board because his private business would require him to spend an increasing amount of time out of the country on international affairs.

Commissioner William J. Ronan of New York was unanimously elected to be Vice Chairman at a regular meeting of the Board on June 1, 1972.

Vice Chairman Ronan was appointed to the Board by Governor Rockefeller in 1967, upon the resig-

nation of Bayard F. Pope, for the term to 1971. He was reappointed by Governor Rockefeller in 1971.

In May 1972 the New York State Senate confirmed Governor Rockefeller's appointment of Jerry Finkelstein, Chairman of the Board of the Struthers Wells Corporation, to fill the unexpired term of Commissioner Hein.

In November 1972 Governor Rockefeller appointed Robert R. Douglass, a member of the firm of Milbank Tweed, Hadley and McCloy, to fill the unexpired term of Hoyt Ammidon, which runs until 1974. Commissioner Douglass was confirmed by the New York State Senate in January 1973.

In November 1972 the New Jersey State Senate confirmed Governor Cahill's appointment of the Reverend Victor R. Yanitelli, S.J., President of Saint Peter's College, to fill the unexpired term to 1975 of William A. Sternkopf, Jr., who resigned from the Board in 1971.

The Board of Commissioners is organized into four standing committees, as follows: Committee on Construction, Walter Henry Jones, Chairman, and Andrew C. Axtell, Vice Chairman; Committee on Finance, W. Paul Stillman, Chairman, and Gustave L. Levy, Vice Chairman; Committee on Operations, James G. Hellmuth, Chairman, and Bernard J. Lasker, Vice Chairman; Committee on Port Planning, William J. Ronan, Chairman, and Philip B. Hofmann, Vice Chairman.

These committees originate and review policies and projects according

to their special functions, and either make recommendations to the Board, or, where appropriate, take action themselves.

Matthias E. Lukens, the Port Authority's Acting Executive Director, is appointed by the Board and carries out the policies and programs authorized by the Board.

The Port Authority is represented in all legal matters by the General Counsel, Patrick J. Falvey. The General Counsel is the legal advisor to the Board of Commissioners, the Executive Director and the Staff. Mr. Falvey was elected to his position at the Board's annual meeting.

Miss Doris E. Landre is the Secretary of the Port Authority. The Secretary is responsible for the preparation and retention of the official minutes of the Board of Commissioners, as well as all the official records of the Port Authority.

The Port Authority is organized into a system of line and staff departments which report to the Executive Director. The line departments are Aviation, Marine Terminals, Rail Transportation, Terminals, Tunnels and Bridges, and World Trade. The Port Authority subsidiary, the Port Authority Trans-Hudson (PATH) Corporation, is within the Rail Transportation Department. The staff departments are Administration, Comptroller's, Engineering, Finance, General Services, Law, Operations Services, Organization and Procedures, Personnel, Planning and Development, Public Affairs, Real Estate, and Treasury.

Commissioners of The Port Authority of New York and New Jersey 1921-1972

Since the Port Authority's creation, the Governors of New York and New Jersey have appointed 73 men with records of accomplishment in business, the professions, and community and public leadership to serve without pay or fees as Commissioners of the Authority. They are, in order of appointment:

Eugenius H. Outerbridge, N. Y., 1921-1924
Chairman, Apr. 25, 1921-Mar. 27, 1924

J. Spencer Smith, N. J., 1921-1923
Vice Chairman, Apr. 25, 1921-July 1, 1923

Alfred E. Smith, N. Y., 1921-1923

Frank R. Ford, N. J., 1921-1924

Lewis H. Pounds, N. Y., 1921-1924
Vice Chairman, Apr. 16, 1924-June 30, 1924

DeWitt Van Buskirk, N. J., 1921-1924
Vice Chairman, July 18, 1923-Apr. 16, 1924
Chairman, Apr. 16, 1924-Nov. 19, 1924

John F. Galvin, N. Y., 1923-1933
Vice Chairman, Nov. 19, 1924-July 12, 1928
Chairman, July 12, 1928-Oct. 19, 1933

Julian A. Gregory, N. J., 1923-1926
Chairman, Nov. 19, 1924-May 20, 1926

Otto B. Shulhof, N. Y., 1924-1927

Frank C. Ferguson, N. J., 1924-1945
Vice Chairman, July 12, 1928-Sept. 6, 1934
Chairman, Sept. 6, 1934-Feb. 8, 1945

Herbert K. Twitchell, N. Y., 1924-1928

Schuyler N. Rice, N. J., 1924-1932

George S. Silzer, N. J., 1926-1928
Chairman, May 27, 1926-June 30, 1928

Howard S. Cullman, N. Y., 1927-1969
Vice Chairman, Sept. 6, 1934-Feb. 8, 1945
Chairman, Feb. 8, 1945-May 12, 1955

William C. Heppenheimer, N. J., 1928-1933

John F. Murray, N. Y., 1928-1937

Joseph G. Wright, N. J., 1930-1934

John J. Pulleyn, N. Y., 1930-1946

George deB. Keim, N. J., 1930-1941

Alexander J. Shamberg, N. Y., 1930-1941

George Rathbone Dyer, N. Y., 1930-1934
Chairman, Oct. 19, 1933-Aug. 31, 1934

Ira R. Crouse, N. J., 1931-1939

John J. Quinn, N. J., 1932-1936

Rudolph Reimer, N. Y., 1933-1944

John Milton, N. J., 1933-1939

Joseph M. Byrne, Jr., N. J., 1934-1953
Vice Chairman, Feb. 8, 1945-May 12, 1953

Charles S. Whitman, N. Y., 1935-1942

Joseph A. Bower, N. J., 1936-1938

Michael F. Walsh, N. Y., 1937-1938

John Borg, N. J., 1938-1945, 1948-1953

Frank J. Taylor, N. Y., 1938-1949

Raymond M. Greer, N. J., 1939-1945

Frank Dorsey, N. J., 1940-1944

James W. Costello, N. J., 1941-1943

Eugene F. Moran, N. Y., 1942-1959
Vice Chairman, Sept. 15, 1955-Apr. 9, 1959

Charles S. Hamilton, N. Y., 1942-1960

Arthur Walsh, N. J., 1943-1947

Bayard F. Pope, N. Y., 1944-1955, 1959-1967
Vice Chairman, May 12, 1955-July 1, 1955

Howard R. Cruse, N. J., 1945-1948

Donald V. Lowe, N. J., 1945-1969
Vice Chairman, May 12, 1953-May 12, 1955
Chairman, May 12, 1955-Apr. 9, 1959

F. Palmer Armstrong, N. J., 1945-1952

Frank D. Abell, N. J., 1945-1951

S. Sloan Colt, N. Y., 1946-1968
Chairman, Apr. 9, 1959-Apr. 11, 1968

Horace K. Corbin, N. J., 1948-1960
Vice Chairman, Apr. 9, 1959-Feb. 5, 1960

Charles H. Sells, N. Y., 1949-1958

John F. Sly, N. J., 1951-1955

Jess H. Davis, N. J., 1952-1959

David Van Alstyne, Jr., N. J., 1953-1955

Dow H. Drukker, Jr., N. J., 1953-1958

N. Baxter Jackson, N. Y., 1955-1963

James C. Kellogg III, N. J., 1955-
Vice Chairman, Feb. 11, 1960-Apr. 11, 1968
Chairman, Apr. 11, 1968-

Thorn Lord, N. J., 1955-1960

Joseph A. Martino, N. Y., 1958-1968
Vice Chairman, Apr. 11, 1968-Nov. 27, 1968

John J. Clancy, N. J., 1958-1970

Robert F. McAlevy, Jr., N. J., 1959-1964

Alexander Halpern, N. Y., 1960-1970

W. Paul Stillman, N. J., 1960-

Charles W. Engelhard, N. J., 1960-1971

Ben Regan, N. Y., 1963-1970
Vice Chairman, Apr. 10, 1969-Mar. 14, 1970

Gerard F. Brill, N. J., 1965-1968

William J. Ronan, N. Y., 1967-
Vice Chairman, June 1, 1972-

William A. Sternkopf, Jr., N. J., 1968-1971

Hoyt Ammidon, N. Y., 1968-1972
Vice Chairman, Apr. 9, 1970-May 26, 1972

Walter Henry Jones, N. J., 1969-

Sidney S. Hein, N. Y., 1969-1972

Bernard J. Lasker, N. Y., 1969-

Gustave L. Levy, N. Y., 1970-

James G. Hellmuth, N. Y., 1970-

Andrew C. Axtell, N. J., 1970-

Philip B. Hofmann, N. J., 1971-

Jerry Finkelstein, N. Y., 1972-

Robert R. Douglass, N. Y., 1972-

Rev. Victor R. Yanitelli, S. J., N. J., 1972-

Staff

The Port Authority and its rail subsidiary, PATH, employ a career staff of more than 8,000 employees. In the daily routine of maintaining the smooth, efficient operation of public terminal and transportation facilities, the PATH Conductors, Bus Terminal Information Agents, Skycaps, Police Officers, Toll Collectors, "Golden Girls" and many more perform the day-to-day services most visible to the public. Supplementing their activities is a wide range of skilled professionals who fulfill the bi-State agency's technical, administrative and operating responsibilities.

Developing the Individual

The Port Authority has built a dedicated career staff through its commitment to individual development. A variety of training programs, both internal and external, is offered to equip employees with the most up-to-date knowledge and techniques available to handle the challenge of service to the public in an ever-changing environment. New programs are developed to meet advancing technology and existing programs continue so long as they contribute to the development goal. During the year, 60 different training programs were offered to all staff members. Approximately 2,000 employees participated in this training which encompassed some 37,500 training hours.

A significant advance was made during the year with the establishment of an effective Adult Education Program. It was developed in response to mounting evidence that many semi-skilled, unskilled and other entry-level employees do not have the basic academic skills needed to enhance their chances for advancement. The program offers individuals who have been away from school for extended periods a convenient method for upgrading their reading and mathemat-



Acting Executive Director Matthias E. Lukens addresses graduation ceremonies for 38 new Port Authority police officers who completed a ten-week training program.

ics skills. A "self-pacing" program, it is tailored to individual needs.

The Port Authority also supports an Education Refund Plan to provide access to study programs not available within the organization's training facilities. Employees are encouraged to pursue higher education and, during 1972, more than ten percent of the staff took degree-oriented courses offered by the Port District's many educational institutions.

Selection and Placement

A key element in the organization's recruitment efforts was the College Relations Program, through which information about the Port Authority is disseminated to students and placement offices. On-campus recruitment visits were coordinated with approximately 50 major colleges and universities throughout the country during the year. Forty-one Management Trainees were selected from over 1,000 candidates interviewed in 1972

for Administrative, Electronics Systems Design, Engineering and Finance Training Programs. These Trainees receive work assignments and specialized training to prepare them for managerial roles of increasing responsibility during their Port Authority careers.

In 1966, the Port Authority initiated a Mobility Program which offers internal and external reassignment of highly skilled staff members to broaden their work experience and give them new knowledge and skills. In six years, 95 staff members have participated in the program. This includes assignments with other organizations, such as the exchange of personnel with the Greater London Council, initiated in 1970.

Police Recruitment

Port Authority Police recruitment continued to attract the highest caliber candidates available for Police Officer positions. A new written examina-

tion was developed, an in-depth oral examination was added to the selection tools and a concentrated effort was made to encourage college and minority candidates to apply.

Recruiters visited two and four year colleges and universities throughout the area to inform students of Port Authority opportunities in law enforcement. Returning veterans enrolled in the Army's Project Transition Program were also included and tested at Fort Dix. By year's end, 58 candidates were assigned to the Port Authority's Police Academy for training with the remaining roster of candidates to be drawn upon as additional police staffing needs require.

Career Planning

In keeping with the Port Authority policy of promotion from within based on merit, employees are given an opportunity each year to demonstrate their potential for advancement into Junior and Middle Management through formal evaluations of their job knowledge and work performance. These evaluations extend to positions in facility management and general administration, police operations, engineering, personnel administration, computer systems, economic and financial analysis, and real estate management.

About 500 staff members participated in these evaluations in 1972 and 212 successfully qualified for advancement to higher level management and professional positions.

Community Service

As a concerned member of the community, the Port Authority has extended its involvement in equal opportunity efforts beyond its own employment practices. Through its extensive background in the field of training and the knowledge of highly skilled staff, schooled in many disci-

plines, the Port Authority has made a substantial contribution to communities in the Port District.

In August, the Port Authority completed a project based on an agreement with the City of New York to administer a series of skills training programs to the unemployed and underemployed residents of the Central Brooklyn Model Cities area. Over 1,300 students entered the program during its eighteenth-month duration, and more than 800 graduated and entered the labor market with new skills. The Port Authority continues to offer consulting services and technical assistance to similar anti-poverty programs in the New York-New Jersey metropolitan area.

Under less formalized conditions Port Authority volunteers offered valuable assistance at the pre-college level. For the third consecutive year more than 50 staff members served as instructors and offered administrative assistance at Harlem Prep, a college preparatory school run on donations and grants in a renovated supermarket for young, Black drop-

outs seeking college entrance.

The Port Authority also responded to appeals from the Newark School Program and from Haaren, Brandeis and George Washington High Schools in New York, to provide tutors, instructors and administrative assistance. Among these efforts was the development of high school curricula to expose students to job possibilities in the transportation field.

In Newark, an aviation trades program was developed which resulted in the establishment of an aerospace resource center sponsored by the Newark Board of Education.

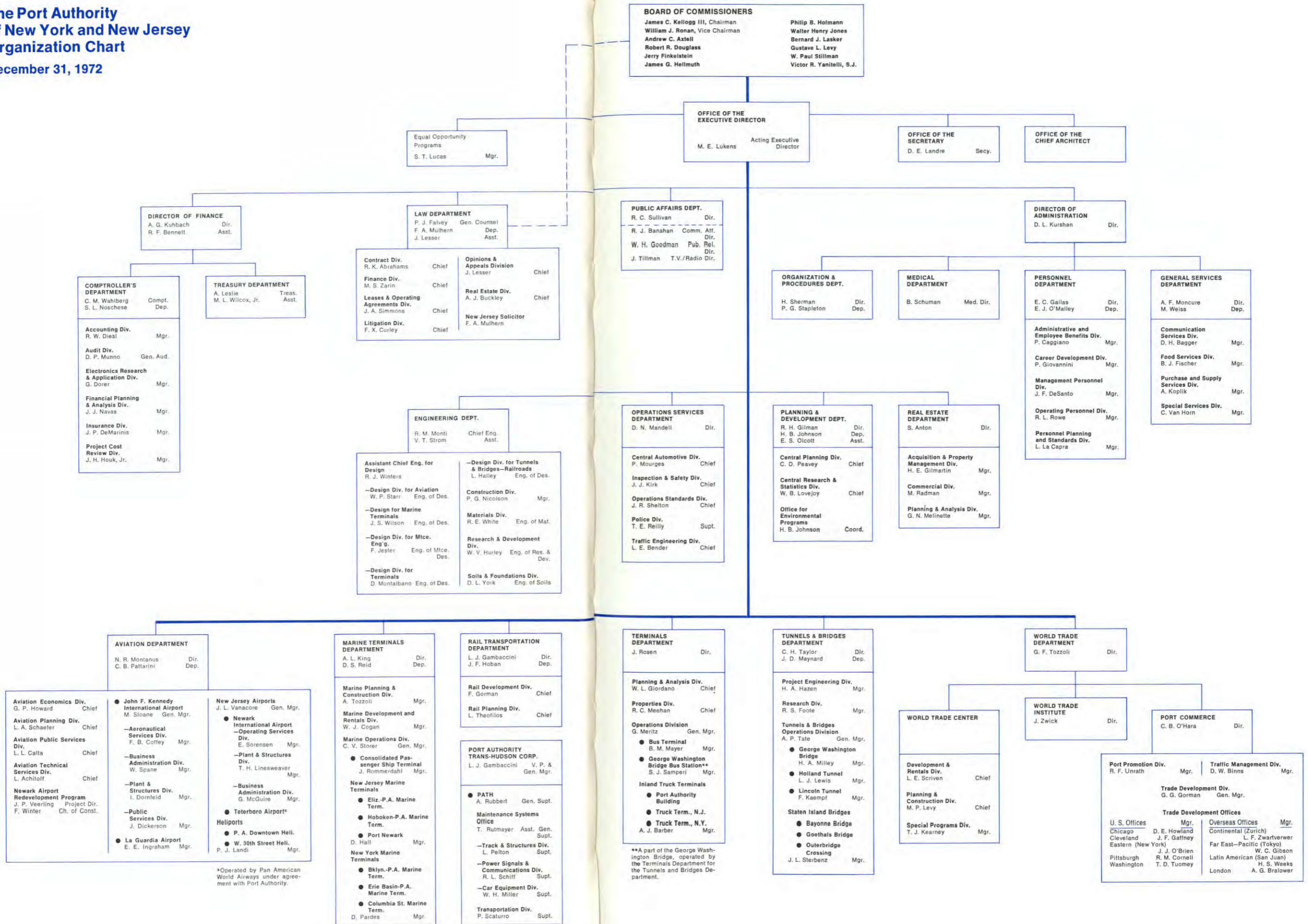
Port Service Club

Now in its second half century, the Port Authority is extremely proud of its growing roster of long-term service employees. Each year the bi-State agency welcomes into its Port Service Club those career staff members who have twenty-five years of service with the organization. In March, 156 new members joined this honored group whose active members now total more than 1,200.



Up-to-date knowledge and techniques are offered to staff through a variety of Port Authority training programs to assure continued development of job skills in serving the public.

**The Port Authority
of New York and New Jersey
Organization Chart
December 31, 1972**



*Operated by Pan American World Airways under agreement with Port Authority.

**A part of the George Washington Bridge, operated by the Terminals Department for the Tunnels and Bridges Department.

Basic Policies and Financial Structure

The States of New Jersey and New York directed the Port Authority "...to proceed with the development of the Port of New York... as rapidly as may be economically practicable...". The Authority, however, may not levy taxes, assessments or pledge the credit of either State or any municipality. In other words, its program of public works was to be supported and financed by the private sector, and to this end the two States pledged their "cordial cooperation... in the encouragement of the investment of capital...".

In order to finance—on a self-supporting basis and without cost to the general taxpayer—the land, sea and air terminal, transportation and other facilities of commerce as directed by the two State Legislatures, it is necessary for the bi-State agency to conduct its affairs with prudence and to employ sound management practices in order to build a strong credit base and a sound financial structure.

To achieve the continuing objectives of strength and stability in its financial structure and command the confidence of investors, it is necessary for the Port Authority to meet certain legal and fundamental financial standards.

The statutes establishing the General Reserve Fund provide for the pooling of revenues to the end that older facilities with established earning power can aid new projects during developmental periods until they reach their anticipated point of self-support. These statutes provide for the amount of the General Reserve Fund to be equal to ten percent of the total par value of the Authority's outstanding bonds including Consolidated Bonds.

The Port Authority's long-established policy is to retire bonded debt as rapidly as sound financial man-

agement permits and to maintain, at year-end, a combined amount in its reserve funds, including reserve funds in trust, equal to at least the next two years' mandatory bonded debt service. Acceleration of debt retirement before mandatory dates may be accomplished out of the General Reserve Fund only to the extent that reserve funds exceed the ensuing two years' debt service.

Bonds for an additional facility cannot be issued with a pledge of the General Reserve Fund unless the Port Authority Commissioners certify to investors that the pledge will not materially impair the sound credit standing of the Authority, the investment status of the Authority's bonds, or the ability of the Authority to fulfill its commitments and undertakings.

Judicious planning, advanced engineering techniques and sound management practices are utilized to bring new projects to their anticipated point of self-support as soon as possible.

Adherence to these requirements and policies has resulted in a sound financial structure which has been recognized by individual investors and financial institutions throughout the United States. Over the years, more than three and one-half billion dollars of Port Authority obligations have been purchased by investors, of which only one and one-half billion dollars was outstanding at December 31, 1972.

Combined Operations In Brief

Gross operating revenues of The Port Authority of New York and New Jersey for the year 1972 totaled \$319,835,000, an increase of 14.3 percent. This rise reflects the continuing increase in the development and utilization of the Authority's facilities. At the same time, operating, administrative and development expenses, including start-up costs for new projects, increased

about 13.6 percent to reach \$199,161,000. As a result, net operating revenues before provision for debt service and reserves increased about 15.4 percent to a total of \$120,674,000.

Investment income on securities held in the reserve and operating funds totaled \$19,783,000. Net revenues available for debt service and reserves were \$140,457,000.

Interest on Authority debt totaled \$43,524,000 and long-term bonded debt amortization amounted to \$29,502,000. In addition, a \$35,000,000 principal payment was made to reduce the outstanding bank loans in accordance with the agreements with the banks. Total debt service charged to revenues and reserves, including reserve funds in trust, therefore, was \$108,026,000.

At year-end 1972 the General Reserve Fund balance amounted to \$156,681,000 and continued to meet the specified statutory amount of ten percent of outstanding bonded debt. The Consolidated Bond Reserve Fund had a balance on December 31, 1972 of \$7,101,000 after application of \$20,000,000 to invested in facilities and \$35,000,000 to meet the annual installment on the 1968 bank loan. Total reserves at year-end, including reserve funds in trust, were \$212,102,000 which exceeded the next two years' debt service on bonded debt. The total debt service for the Authority for the years 1973 and 1974, including scheduled payments on bank loans, amounts to \$299,597,000.

The Authority's financial affairs are administered by A. Gerdes Kuhbach, Director of Finance; Alexander Leslie, Treasurer; and Carl M. Wahlberg, Comptroller.

Financial Position At Year-End

On December 31, 1972, the total

assets of the Authority were \$3,502,803,000, represented by the cumulative amount invested in facilities and balances in construction, operating and reserve funds. This is an increase of 6.6 percent, or \$215,633,000 over last year.

The amount invested in facilities of the Port Authority rose by \$286,697,000, including interest during con-

Highlights	1972	1971
Gross Operating Revenues	\$ 319,800,000	\$ 279,900,000
Net Operating Revenues	120,700,000	104,600,000
Debt Service Charged to Revenues and Reserves	108,000,000	89,700,000
Cumulative Invested in Facilities	3,047,500,000	2,760,800,000
Bonded Debt Outstanding	1,566,800,000	1,446,700,000
General Reserve Fund	156,700,000	144,700,000
Consolidated Bond Reserve Fund	7,100,000	253,000
Reserve Funds in Trust	48,300,000	54,700,000

struction of \$39,732,000 on bonded debt and bank loans, to a cumulative total of \$3,047,507,000 at year-end 1972. This increase is largely represented by additional investment at:

The World Trade Center	\$113,800,000
Newark International Airport	40,300,000
Elizabeth-Port Authority Marine Terminal	33,800,000
Port Authority Trans-Hudson Railroad	31,600,000
John F. Kennedy International Airport	30,700,000
LaGuardia Airport	15,300,000
Port Newark	11,600,000

Bonded debt increased during the year by \$120,062,000 to a total of \$1,566,810,000. This was the net result of the issuance of Consolidated Bonds in the total amount of \$150,000,000 and the retirement of \$29,938,000 bonded debt through income and reserves.

At year-end, debt retired through income as detailed in Statement E, Page 67, and reserve funds totaled \$1,543,486,000, which is about 51 percent of the amount invested in facilities.

Reserve Funds

At year-end 1972, the General Reserve Fund balance was \$156,681,000 and continued to meet the specified statutory amount of ten percent of outstanding bonded debt while the Consolidated Bond Reserve Fund totaled \$7,101,000. These balances, together with other reserve fund balances in trust totaling \$48,320,000 (see below), continued to meet the long-established policy of maintaining total reserve funds in an amount equal to at least the next two years' mandatory debt service on bonded debt (excluding scheduled debt service on the bank loans obtained by the Authority in 1968, 1970 and 1971).

Bond covenants require that the reserve funds be maintained in cash or invested in certain government securities. Thus, at year-end, \$209,981,000 was invested in securities as set forth in Statement B "Financial Position." Income from investment of reserve funds, including reserve funds in trust, totaled \$16,659,000 in 1972.

The only obligations of the Port

Authority which were issued prior to the establishment in 1952 of the issue of Consolidated Bonds and which presently remain outstanding are certain of the Authority's General and Refunding, Air Terminal and Marine Terminal Bonds which are listed in Statement G, Page 68. In the Consolidated Bond Resolution of 1952 the Authority covenanted that no additional General and Refunding, Air Terminal or Marine Terminal Bonds would be issued.

By year-end 1970, the Special Reserve Fund (for General and Refunding Bonds), the Air Terminal Reserve Fund and the Marine Terminal Reserve Fund had reached a level sufficient to secure fully the payment of principal of and interest to redemption on the outstanding bonds for which such Funds had been established. On December 31, 1970, pursuant to the bank loan agreements of 1968 and 1970, the Authority placed in trust with the First National City Bank, as Trustee, \$60,749,000 from the Authority's Special Reserve Fund,

Air Terminal Reserve Fund and Marine Terminal Reserve Fund to secure fully, unconditionally and absolutely the Authority's obligation to provide for the redemption as scheduled and the payment of interest until redemption on the Authority's outstanding General and Refunding Bonds, Air Terminal Bonds and Marine Terminal Bonds. These bonds bear interest at rates ranging from 1 1/4 % to 3% a year. The Trust Agreements do not require the payment or redemption of any such bonds in advance of their scheduled redemption by operation of the sinking funds therefor. After the establishment and during the maintenance of these trusts, no further payments are required to be made into such Reserve Funds. Furthermore, all Consolidated Bonds of the Authority, including any which may hereafter be issued, are now equally and ratably secured by a pledge of the net revenues of all existing facilities of the Authority and any additional facilities which may hereafter be financed or refinanced in whole or in part through the medium

of Consolidated Bonds. Such net revenues are no longer subject to the prior liens or pledges to which certain of these net revenues had previously been subject in favor of General and Refunding, Air Terminal and Marine Terminal Bonds.

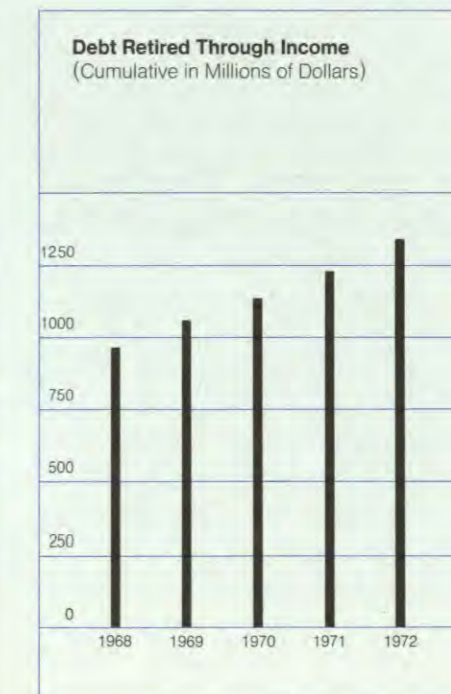
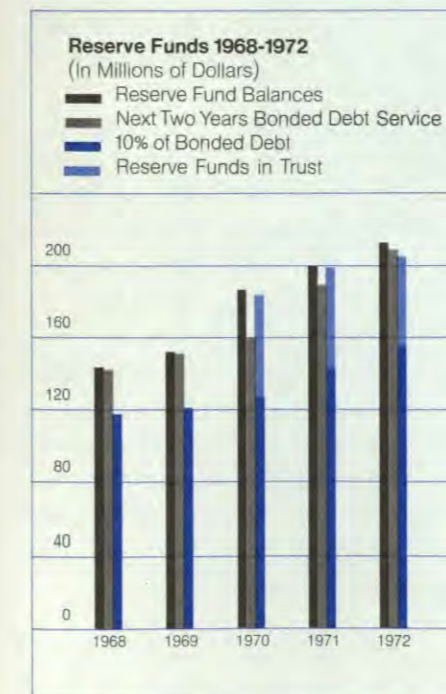
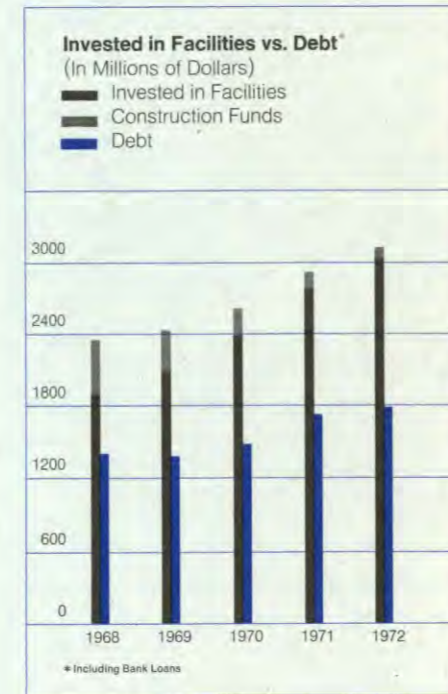
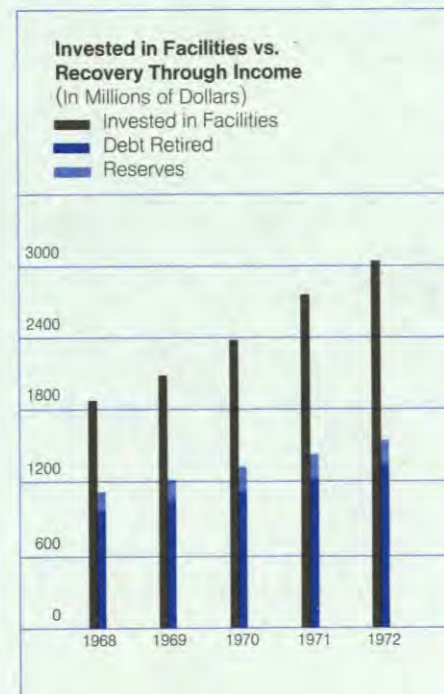
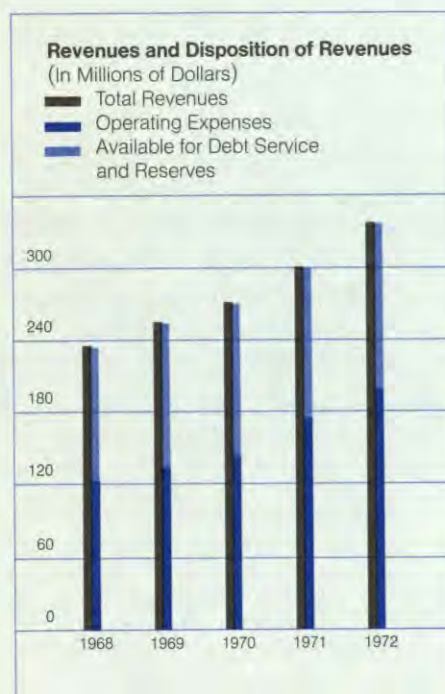
The establishment and maintenance of the Reserve Funds in Trust permit the application of all net revenues of the Authority to the payment of debt service on Consolidated Bonds, with all remaining balances, except such amounts as may be necessary to maintain the General Reserve Fund in the amount specified by the General Reserve Fund statutes, to be paid into the Consolidated Bond Reserve Fund. The net revenues accumulated in the Consolidated Bond Reserve Fund are fully available to meet debt service on the bank loans obtained by the Authority in 1968, 1970 and 1971.

Financial Income

The long-term investment portfolio averaged about \$232,137,000, principally reserve funds, and was invested primarily in securities of the United States Government or guaranteed by the United States Government. Long-term investment earnings amounted to \$19,308,000.

Investment in short-term government securities and bank time deposits averaged approximately \$217,886,000 during the year. The short-term portfolio represented principally the investment of construction funds awaiting disbursement. Income from these short-term investments was \$9,635,000.

Investment income attributed to the operating fund amounted to \$3,124,000 (including \$125,000 miscellaneous income). The amount attributed to reserve funds was \$16,659,000, and \$9,271,000 was attributed to the capital fund thereby reducing construction cost.



Financing

Debt Issued

The Authority's bonded debt at year-end was \$1,566,810,000, a net increase of \$120,062,000 over last year.

On February 9, 1972, \$150,000,000 Consolidated Bonds, Thirty-ninth Series, 5.80% due February 1, 2007, were sold to an investment group headed by Smith, Barney & Co. Incorporated, Dillon Read Municipals, Inc., Hornblower & Weeks—Hemphill, Noyes, Lehman Brothers, Inc., John Nuveen & Co., Inc., Joint Managers, in Association with First Boston Corporation, Kidder, Peabody & Co., Inc., Kuhn, Loeb & Company, Loeb Rhoades & Company, Stone & Webster Securities Corp., Joint Managers, at a price of 97.53 percent of par resulting in a net interest cost to the Authority of 5.889 percent.

On January 17, 1973, \$100,000,000 par value of Consolidated Notes, Series Z, 3.60% due December 17, 1973 were sold at par to a group of sixteen major banks having offices in the Port District.

Debt Retired

During the year, \$29,938,000 par value of long-term bonds was retired through mandatory sinking fund and maturity payments.

On December 20, 1972, payment of the fourth annual installment of \$35,000,000 was made on the \$210,000,000 bank loan obtained in 1968. The outstanding amount of the three bank loans at year-end was \$230,000,000.

Additional Information for Bondholders

Consolidated Bonds are direct and general obligations of the Authority

and the full faith and credit of the Authority are pledged to the payment of debt service thereon.

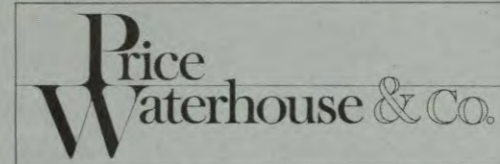
All Consolidated Bonds, including any which may hereafter be issued, are equally and ratably secured by a pledge of the net revenues of all existing facilities of the Authority (not including cars acquired under New York State's Commuter Railroad Car Program) and any additional facility which may be hereafter financed in whole or in part through the medium of Consolidated Bonds, as provided in the Consolidated Bond Resolution. The prior liens and pledges with respect to certain of such net revenues in favor of General and Refunding, Air Terminal and Marine Terminal Bonds of the Authority referred to in the Consolidated Bond Resolution have been satisfied by the establishment and maintenance of the Special, Air Terminal and Marine Terminal Reserve Funds in Trust (see "Reserve Funds" Page 66). All Consolidated Bonds are further secured by a pledge of the monies in the Consolidated Bond Reserve Fund, as provided in the Consolidated Bond Resolution.

On December 31, 1972, outstanding Consolidated Bonds totaled \$1,523,334,000. Over the years, the Authority has issued \$2,241,650,000 of Consolidated Bonds, exclusive of refundings.

The 1962 statutes adopted by the Legislatures of New York and New Jersey, which authorized Port Authority acquisition of the interstate Hudson and Manhattan Railroad, provided by way of a statutory covenant with the holders of affected bonds that deficit financing of additional passenger railroad facilities would be undertaken only within specific financial limits. Bi-state legislation is now pending

which, after its enactment, would exclude obligations to be issued by the Authority from the category of such affected bonds. It may be noted that in connection with the issue of \$100,000,000 par value of Consolidated Notes, Series Z, 3.60% due December 17, 1973, referred to above, Chase Manhattan Bank, First National City Bank, Morgan Guaranty Trust Company of New York, Chemical Bank, Manufacturers Hanover Trust Company, Franklin National Bank, Marine Midland Bank (New York), National Newark and Essex Bank, The Bank of New York, Fidelity Union Trust Company, Irving Trust Company, Marine Midland Bank (Western), Peoples Trust of New Jersey, United States Trust Company of New York, The Bank of Tokyo Trust Company and The County Trust Company each consented pursuant to Section 6 of both Chapter 209 of the Laws of New York of 1962 and Chapter 8 of the Laws of New Jersey of 1962 to the application for any railroad purpose authorized by the States of New York and New Jersey of any rentals, tolls, fares, fees, charges, revenues and reserves which have been or shall be pledged as security for such Notes, insofar as such application would otherwise not have been permitted by reason of the limitations imposed by the statutory covenant. In accordance with the policy of the Governors of New York and New Jersey and of the Authority, this consent by these purchasers of Consolidated Notes, Series Z avoided the addition of such Notes to the total amount of outstanding obligations to which the statutory covenant attaches. The need for such consent by the purchasers of future Authority obligations would be obviated by enactment of the pending legislation.

SIXTY BROAD STREET, NEW YORK, NEW YORK 10004



February 28, 1973

The Port Authority
of New York and New Jersey
New York, New York

In our opinion, Statements A through H present fairly the financial position of the Port Authority of New York and New Jersey at December 31, 1972 and the results of its operations for the year, and Statement J presents fairly the assets and liabilities of the New York State Commuter Car Program at December 31, 1972 in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, Statement I presents fairly the ten-year financial data included therein. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

STATEMENT A Revenues and Reserves

	Year Ended December 31,			1971
	1972			
	Operating Fund	Reserve Funds (Statement D) (In Thousands)	Combined Total	
Gross Operating Revenues	\$319,835	\$ —	\$319,835	\$279,935
Operating Expenses	199,161	—	199,161	175,333
Net Operating Revenues	120,674	—	120,674	104,602
Financial Income				
Income on investments	3,124	16,659	19,783	20,344
Security valuation adjustment	—	—	—	378
	<u>123,798</u>	<u>16,659</u>	<u>140,457</u>	<u>125,324</u>
Debt Service				
Interest on bonded debt	38,856	1,116	39,972	30,566
Serial maturities and sinking fund retirements	24,502	5,000	29,502	23,428
Interest on bank loans	—	3,552	3,552	700
Bank loan payment	—	35,000	35,000	35,000
Total Debt Service	<u>63,358</u>	<u>44,668</u>	<u>108,026</u>	<u>89,694</u>
Invested in Facilities	—	20,000	20,000	22,000
Transfers to Reserves	\$(60,440)	60,440	—	—
Net Increase in Reserves		12,431	12,431	13,630
Reserve balances—beginning of year		199,671	199,671	186,041
Reserve Balances—End of Year		<u>\$212,102</u>	<u>\$212,102</u>	<u>\$199,671</u>

STATEMENT B Financial Position

	December 31, 1972			December 31, 1971
	Capital Fund	Reserve Funds (In Thousands)	Operating Fund	
ASSETS				
Invested in Facilities	\$3,047,507	\$ —	\$ —	\$3,047,507
Investment in Securities (Statement F)	74,335	209,981	8,290	292,606
Cash and Time Deposits	76,145	2,121	8,490	86,756
Other Assets	2,531	—	73,403	75,934
Total Assets	<u>3,200,518</u>	<u>212,102</u>	<u>90,183</u>	<u>3,502,803</u>
LIABILITIES				
Bonded Debt (Statement G)	1,566,810	—	—	1,566,810
Bank Loans Payable	230,000	—	—	230,000
Debt Retired Through Income (Statement E)	1,331,384	—	—	1,331,384
Reserves (Statement D)	—	212,102	—	212,102
Accounts Payable and Other Liabilities	72,324	—	71,502	143,826
Provision for Self-Insurance	—	—	15,302	15,302
Deferred Credits to Income	—	—	3,379	3,379
Total Liabilities	<u>\$3,200,518</u>	<u>\$212,102</u>	<u>\$90,183</u>	<u>\$3,502,803</u>

See Notes to Financial Statements

STATEMENT C Changes in Financial Position

	Year Ended December 31,	
	1972	1971
Funds Provided From:		
Net Operating Revenues	\$120,674	\$104,602
Adjustments for Non-cash Transactions	3,359	2,752
	<u>124,033</u>	<u>107,354</u>
Financial Income	19,783	20,722
Consolidated Bonds	150,000	200,000
Consolidated Notes	—	5,000
Bank Loan	—	100,000
Federal Grants in Aid	14,782	8,681
Net Change in Other Asset and Liability Accounts	—	13,271
Total Funds Provided	<u>308,598</u>	<u>455,028</u>
Funds Applied To:		
Invested in Facilities	286,697	362,308
Interest on Bonded Debt and Bank Loans	43,524	31,266
Retirement of Bonded Debt	29,502	23,428
Repayment of Bank Loan	35,000	35,000
Refunding of Consolidated Notes	—	5,000
Payments Charged to Provision for Self-Insurance	1,401	1,672
Net Change in Other Asset and Liability Accounts	2,060	—
Total Funds Applied	<u>398,184</u>	<u>458,674</u>
Net Decrease in Cash and Investments	<u>\$ 89,586</u>	<u>\$ 3,646</u>

See Notes to Financial Statements

Notes to Financial Statements

December 31, 1972

Note A—Accounting Policies:

1. The Port Authority of New York and New Jersey, created in 1921 by compact between the States of New York and New Jersey with the consent of Congress, has no stockholders or equity holders; all revenues or other cash received must be disbursed for specific purposes in accordance with provisions of various statutes and agreements with holders of its bonds and others.

2. The Authority's bond resolutions provide that operating expenses shall not include any allowance for depreciation. However, recovery of facility costs is accomplished through deductions from revenues and reserves of amounts equal to principal payments on debt and reserves appropriated to Invested in Facilities. These deductions are credited at par to the account "debt retired through income."

3. The amount "invested in facilities" consists primarily of expenditures, including the expenditure of Federal and State grants, to acquire, construct, place in operation and improve the facilities of the Port Authority and includes net discount and expense incurred in connection with bonds and notes issued for construction purposes as well as net interest expense during the period of construction.

4. Investments in long-term and short-term United States securities are

stated at the lower of their respective aggregate amortized cost or market value. Investments in Port Authority bonds are stated at their amortized cost.

5. Pursuant to bi-State legislation, the Authority is authorized and empowered, upon the election of either State, to purchase and lease railroad cars to commuter railroads of the electing State, and to borrow money for such purpose or for the repayment of advances from the electing State. By resolution dated April 12, 1962, the Authority established an issue of New York State Guaranteed Commuter Car Bonds. Such Car Bonds are secured by the net revenues of the Authority arising out of the lease of commuter railroad cars. Car Bonds are not secured by any other revenues, reserves or assets of the Authority, are not general obligations of the Authority and are not secured by the full faith and credit of the Authority. In the event that lease revenues are not sufficient to provide for scheduled payment of principal and interest, the punctual payment of such debt service is fully and unconditionally guaranteed by the electing State. Accordingly, the financial position of this program is presented separately in Statement J, and the assets and liabilities of the program are not included in any of the other accompanying financial statements of the Authority.

6. Pursuant to legislative and judicial authorizations, the Authority on September 1, 1962 acquired by condem-

nation the former Hudson & Manhattan Railroad (Hudson Tubes) through the Port Authority Trans-Hudson Corporation, a subsidiary of The Port Authority of New York and New Jersey established for that purpose. The accounts of the subsidiary corporation are consolidated in the accompanying Port Authority financial statements.

Note B—Commitments:

At December 31, 1972 the Authority was committed under various contracts to the completion over the next two or three years of approximately \$184,000,000 of construction.

Note C—Leases:

LaGuardia Airport and John F. Kennedy International Airport are leased from the City of New York for a term expiring in the year 2015. Port Newark and Newark International Airport are leased from the City of Newark for a term expiring in the year 2016.

The Hoboken-Port Authority Marine Terminal is leased from the City of Hoboken under a lease which will expire in the year 2002, unless a fifty-year extension is executed by then.

Certain parcels of the property at the Brooklyn-Port Authority Marine Terminal are held under two leases from the City of New York for terms expiring in the years 2011 and 2018.

Minimum annual rentals under the above leases presently aggregate approximately \$2,800,000. Additional

rentals are payable if earned in connection with certain of these leases.

On August 23, 1971, the Authority entered into a lease with the City of New York for the development of a Consolidated Passenger Ship Terminal and for the interim operation of existing piers on the Hudson River on the west side of Manhattan Island. The initial lease term will expire 20 years from completion of construction of the new terminal. The Authority is to pay the City annually (i) the sum required each year to amortize over a 20-year period, bonds issued by the City to raise \$28,300,000 of the construction costs, and (ii) a portion of the excess, if any, of revenues over the total of such payments and operating and maintenance costs and reserve requirements.

Note D—Financing:

1. At December 31, 1972, a balance of \$230,000,000 in principal amount of three bank loans obtained by the Authority was outstanding. The first of these loans was obtained in 1968 in an amount aggregating \$210,000,000, bearing interest at 4¼ % per annum, maturing in 1975 and payable in annual installments of up to \$35,000,000 to the extent net revenues are legally available therefor. Four annual installments totaling \$140,000,000 have been paid on this loan by the Authority through December 31, 1972. The second loan was obtained in 1970 in an amount aggregating \$60,000,000, bearing interest at 5¼ % per annum, maturing in 1977 and payable in an-

nual installments commencing in 1975 of up to \$20,000,000 from net revenues legally available therefor. The third loan was obtained in 1971 in an amount aggregating \$100,000,000, bearing interest at 5¼ % per annum, maturing in 1977 and payable in annual installments of up to \$30,000,000 in 1975 and up to \$35,000,000 in 1976 and 1977 from net revenues legally available therefor. The three loans were obtained from banks and trust companies located in New York and New Jersey and are subject to prepayment in whole or in part on interest payment dates.

Under the terms of the three loan agreements, and as a result of the establishment and maintenance in trust of the Authority's Special Reserve Fund, Air Terminal Reserve Fund and Marine Terminal Reserve Fund (see Note E below), annual installment payments on the bank loans are, beginning in 1971, being made exclusively from net revenues legally available therefor in the Authority's Consolidated Bond Reserve Fund. Payment of the loans and interest thereon is subject in all respects to the payment of debt service on the Authority's General and Refunding Bonds, Air Terminal Bonds, Marine Terminal Bonds and Consolidated Bonds, as required by the applicable provisions of the Authority's bond resolutions, and to the payment into the General Reserve Fund of the amount necessary so as to maintain such Fund at the amount specified in the General Reserve Fund statutes. Neither the loans nor the in-

terest thereon are secured by or payable from the General Reserve Fund. 2. On January 17, 1973 the Authority sold \$100,000,000 Consolidated Notes Series Z, 3.60%, due December 17, 1973.

Note E—Special, Air Terminal and Marine Terminal Reserve Funds in Trust:

In accordance with the provisions of the bank loan agreements (see Note D above), the Authority on December 31, 1970, placed into trust amounts available from the Authority's Special Reserve Fund, Air Terminal Reserve Fund and Marine Terminal Reserve Fund so that such Funds shall be maintained in amounts sufficient to secure fully, unconditionally and absolutely the Authority's obligation to provide for the redemption as scheduled and the payment of interest until redemption on the Authority's outstanding General and Refunding, Air Terminal and Marine Terminal Bonds. Under the terms of the Agreements of Trust, such bonds are not required to be paid or redeemed in advance of their scheduled redemption by operation of the sinking funds therefor.

Upon the establishment and maintenance of these Trust Funds, net revenues of the Authority's existing facilities are applicable to debt service on Consolidated Bonds and Notes and all remaining balances, except such amounts as may be necessary to maintain the General Reserve Fund in the prescribed amount, are payable into the Consolidated Bond Reserve Fund.

STATEMENT D **Analysis of Reserve Funds** Year Ended December 31, 1972

	General Reserve Fund	Consolidated Bond Reserve Fund	Reserve Funds in Trust For			Combined Total
			General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	
(In Thousands)						
Balance—January 1, 1972	\$144,675	\$ 253	\$18,658	\$32,312	\$3,773	\$199,671
Income on investments(A)	12,006	4,622	20	10	1	16,659
Security valuation adjustment	—	—	—	—	—	—
	<u>156,681</u>	<u>4,875</u>	<u>18,678</u>	<u>32,322</u>	<u>3,774</u>	216,330
Transfers from Operating Fund	—	60,440	—	—	—	60,440
	<u>156,681</u>	<u>65,315</u>	<u>18,678</u>	<u>32,322</u>	<u>3,774</u>	276,770
Applications:						
Interest on bonded debt	—	—	248	757	80	1,085
Financial services	—	—	20	10	1	31
Serial maturities and sinking fund retirements(A)	—	(338)	859	4,066	413	5,000
Interest on bank loans	—	3,552	—	—	—	3,552
Bank loan payment	—	35,000	—	—	—	35,000
Invested in facilities	—	20,000	—	—	—	20,000
Total Applications	—	58,214	1,127	4,833	494	64,668
Balance—December 31, 1972	<u>\$156,681</u>	<u>\$ 7,101</u>	<u>\$17,551(B)</u>	<u>\$27,489</u>	<u>\$3,280(C)</u>	\$212,102

(A) After transfers from Reserve Funds in Trust and General Reserve Fund to Consolidated Bond Reserve Fund.
 (B) Includes Sinking Fund balance of \$1,195,000 related to General and Refunding 8th Series Bonds.
 (C) Includes Sinking Fund balance of \$209,000 related to Marine Terminal 1st Series Bonds.

See Notes to Financial Statements

STATEMENT E **Debt Retired Through Income** Year Ended December 31, 1972 (In Thousands)

Debt Retired Through Income		
Balance at January 1		\$1,129,476
Reserves applied to payment of bank loan as detailed in Statement D		35,000
Net revenues and reserves applied to retirement of bonded debt as detailed in Statement G		29,938
Total		<u>1,194,414</u>
Contributed by Federal and State Agencies in Aid of Construction		
Balance at January 1		76,357
Amounts received under Urban Mass Transportation Act		9,975
Amounts received under Federal Airport Act		4,807
Total		<u>91,139</u>
Appropriated Reserves Invested in Facilities		
Balance at January 1		41,468
Additions		20,000
Total		<u>61,468</u>
Less:		
Cost of Refunding and Consolidating Debt		
Balance at January 1 and December 31		15,637
Total		<u>\$1,331,384</u>

STATEMENT F **Investment in Securities** December 31, 1972

	Principal Amount	Quoted Market Value (In Thousands)	Amortized Cost
Short-Term			
United States Treasury Bills	\$ 38,945	\$ 38,574	\$ 38,576
Government National Mortgage Association Participation Certificates	1,850	1,852	1,850
Total Short-Term	<u>40,795</u>	<u>40,426</u>	<u>40,426</u>
Long-Term			
Farmers Home Administration Insured Notes	87,015	92,464	86,916
Government National Mortgage Association Participation Certificates	61,775	59,262	60,768
United States Treasury Notes	41,775	42,214	41,854
Export-Import Bank Participation Certificates	24,000	22,392	24,146
United States Treasury Bonds	5,841	5,801	5,822
Total Long-Term United States Securities	220,406	222,133	219,506
Bonds of The Port Authority of New York and New Jersey	27,885	21,192	23,782
Total Long-Term	<u>\$248,291</u>	<u>\$243,325</u>	<u>243,288</u>
Accrued Interest Receivable			8,892
Total Investment in Securities			<u>\$292,606</u>

See Notes to Financial Statements

STATEMENT G **Bonded Debt** Year Ended December 31, 1972

	January 1, 1972	Issued (In Thousands)	Retired	December 31, 1972
General and Refunding Bonds				
Eighth Series, 2% due 1974	\$ 3,360	\$ —	\$ 851	\$ 2,509
Ninth Series, 1½% due 1985	4,054	—	—	4,054
Tenth Series, 1¾% due 1985	2,014	—	—	2,014
Eleventh Series, 1¼% due 1986	7,275	—	—	7,275
	<u>16,703</u>	<u>—</u>	<u>851</u>	<u>15,852</u>
Air Terminal Bonds				
First Series, 3% due 1978	11,433	—	1,768	9,665
Second Series, 2½% due 1979	12,218	—	1,619	10,599
Third Series, 2.20% due 1980	4,950	—	573	4,377
	<u>28,601</u>	<u>—</u>	<u>3,960</u>	<u>24,641</u>
Marine Terminal Bonds				
First Series, 2½% due 1978	2,247	—	274	1,973
Second Series, 2.20% due 1980	1,142	—	132	1,010
	<u>3,389</u>	<u>—</u>	<u>406</u>	<u>2,983</u>
Consolidated Bonds				
First Series, 3% due 1982	16,840	—	1,366	15,474
Second Series, 2¾% due 1984	16,220	—	620	15,600
Fourth Series, 2¾% due 1985	23,000	—	1,000	22,000
Fifth Series, 2.90% due 1983	13,240	—	460	12,780
Sixth Series, 3% due 1986	21,000	—	600	20,400
Seventh Series, 3.40% due 1986	18,100	—	600	17,500
Eighth Series, 3.40% due 1987	37,000	—	1,000	36,000
Ninth Series, 3½% due 1972-1975	5,400	—	1,350	4,050
Tenth Series, 3¾% due 1987	25,800	—	900	24,900
Eleventh Series, 3% due 1972-1978	14,000	—	2,000	12,000
Twelfth Series, 3¾% due 1988	31,430	—	700	30,730
Thirteenth Series, Various due 1972-1978	8,750	—	1,250	7,500
Fourteenth Series, 3¾% due 1989	46,475	—	1,650	44,825
Fifteenth Series, Various due 1972-1979	14,000	—	1,750	12,250
Sixteenth Series, 4¼% due 1989	21,125	—	750	20,375
Seventeenth Series, Various due 1972-1980	13,500	—	1,500	12,000
Eighteenth Series, Various due 1972-1981	19,950	—	1,750	18,200
Nineteenth Series, 3½% due 1991	21,750	—	500	21,250
Twentieth Series, 3¼% due 1993	32,900	—	700	32,200
Twenty-first Series, 3.40% due 1993	23,500	—	500	23,000
Twenty-second Series, 3¾% due 1993	23,500	—	500	23,000
Twenty-third Series, 3¾% due 1994	23,875	—	375	23,500
Twenty-fourth Series, 3½% due 1994	23,875	—	375	23,500
Twenty-fifth Series, Various due 1972-1984	19,500	—	1,500	18,000
Twenty-sixth Series, 3½% due 1995	33,950	—	525	33,425
Twenty-seventh Series, 3¾% due 1995	24,750	—	125	24,625
Twenty-eighth Series, 3¾% due 1996	24,875	—	125	24,750
Twenty-ninth Series, 3½% due 1996	24,875	—	125	24,750
Thirtieth Series, 3¾% due 1998	24,875	—	125	24,750
Thirty-first Series, 4% due 2002	100,000	—	—	100,000
Thirty-second Series, 5% due 2003	100,000	—	—	100,000
Thirty-third Series, 4¾% due 2003	100,000	—	—	100,000
Thirty-fourth Series, 5½% due 2003	100,000	—	—	100,000
Thirty-fifth Series, 6½% due 2005	100,000	—	—	100,000
Thirty-sixth Series, 6.40% due 2005	50,000	—	—	50,000
Thirty-seventh Series, 6% due 2006	100,000	—	—	100,000
Thirty-eighth Series, 5¾% due 2006	100,000	—	—	100,000
Thirty-ninth Series, 5.80% due 2007	—	150,000	—	150,000
	<u>1,398,055</u>	<u>150,000</u>	<u>24,721</u>	<u>1,523,334</u>
Total Bonded Debt	<u>\$1,446,748</u>	<u>\$150,000</u>	<u>\$29,938</u>	<u>\$1,566,810</u>

See Notes to Financial Statements

STATEMENT H **Bonded Debt Amortization 1973-2007** December 31, 1972 (In Thousands)

Year	Debt Service Total All Issues			Amortization			
	Total	Interest	Amortization	Consolidated Bonds	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds
1973	\$ 104,393	\$ 70,877	\$ 33,516	\$ 26,192	\$ 2,580	\$ 4,064	\$ 680
1974	104,034	69,915	34,119	28,849	614	4,174	482
1975	104,668	68,782	35,886	30,165	941	4,286	494
1976	102,869	67,633	35,236	29,296	1,033	4,401	506
1977	102,948	66,473	36,475	30,245	1,194	4,519	517
1978	104,883	65,198	39,685	35,793	1,211	2,530	151
1979	103,809	63,817	39,992	37,944	1,228	667	153
1980	104,103	62,432	41,671	40,425	1,246	—	—
1981	103,446	60,975	42,471	41,207	1,264	—	—
1982	102,421	59,491	42,930	41,648	1,282	—	—
1983	102,816	57,908	44,908	43,608	1,300	—	—
1984	104,889	56,204	48,685	47,368	1,317	—	—
1985	103,778	54,361	49,417	48,775	642	—	—
1986	106,060	52,347	53,713	53,713	—	—	—
1987	101,609	50,176	51,433	51,433	—	—	—
1988	96,130	48,123	48,007	48,007	—	—	—
1989	93,891	46,029	47,862	47,862	—	—	—
1990	93,515	43,935	49,580	49,580	—	—	—
1991	93,194	41,644	51,550	51,550	—	—	—
1992	92,761	39,211	53,550	53,550	—	—	—
1993	92,150	36,600	55,550	55,550	—	—	—
1994	88,067	33,917	54,150	54,150	—	—	—
1995	84,079	31,179	52,900	52,900	—	—	—
1996	80,395	28,395	52,000	52,000	—	—	—
1997	76,427	25,677	50,750	50,750	—	—	—
1998	75,368	22,868	52,500	52,500	—	—	—
1999	72,011	20,011	52,000	52,000	—	—	—
2000	69,145	17,145	52,000	52,000	—	—	—
2001	67,746	14,246	53,500	53,500	—	—	—
2002	66,647	11,147	55,500	55,500	—	—	—
2003	60,074	8,074	52,000	52,000	—	—	—
2004	40,478	5,478	35,000	35,000	—	—	—
2005	38,385	3,385	35,000	35,000	—	—	—
2006	25,813	1,313	24,500	24,500	—	—	—
2007	10,551	51	10,500	10,500	—	—	—
Total	<u>\$2,973,553</u>	<u>\$1,405,017</u>	<u>\$1,568,536</u>	<u>\$1,525,060</u>	<u>\$15,852</u>	<u>\$24,641</u>	<u>\$2,983</u>

NOTES: Includes all mandatory payments (including sinking fund requirements and serial maturities) whether payable from revenues or other sources, upon the assumption that: (1)—the presently outstanding bonds will not be retired prior to maturity except in accordance with the mandatory retirement provisions of the resolutions establishing the series of which such bonds form a part; (2)—the amortization payment will be made each year on the latest permissible date on which such payment is required to be made; (3)—such payments will be in the amount scheduled to be made for such year. Interest shown under "Debt Service Total All Issues" is computed on the same assumptions as amortization. The above amortization and interest amounts do not include either interest or annual installment payments on the bank loans maturing in 1975 and 1977. See Note D to Financial Statements for details concerning the payment of the bank loans. Amortization and interest applicable to General and Refunding, Air Terminal and Marine Terminal Bonds are secured by trusts as outlined in Note E to Financial Statements.

See Notes to Financial Statements

STATEMENT I Selected Financial Data—A Ten-Year Comparison (In Thousands)

	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963
Net Revenues (A)										
Gross Operating Revenues	\$ 319,835	\$ 279,935	\$ 255,318	\$ 242,797	\$ 226,931	\$ 207,511	\$ 189,953	\$ 178,630	\$ 167,256	\$ 154,025
Operating Expenses	199,161	175,333	144,988	134,297	123,831	110,095	102,113	98,901	89,177	79,797
Net Operating Revenues	120,674	104,602	110,330	108,500	103,100	97,416	87,840	79,729	78,079	74,228
Other Income (B)	19,783	20,344	16,067	13,639	10,749	7,792	6,893	5,553	5,123	4,825
Net Revenues Before Debt Service	140,457	124,946	126,397	122,139	113,849	105,208	94,733	85,282	83,202	79,053
Interest on Bonded Debt	38,856	29,441	26,346	25,507	24,580	23,254	22,369	21,249	20,291	18,752
Balance Available for Debt Retirement and Reserves	101,601	95,505	100,051	96,632	89,269	81,954	72,364	64,033	62,911	60,301
Times, Interest Earned	3.61	4.24	4.80	4.79	4.63	4.52	4.24	4.01	4.10	4.22
Mandatory Long-Term Debt Retirements	24,502	23,013	27,321	26,363	24,943	23,139	21,407	21,384	19,849	20,264
Net Revenues after Debt Service (C)	\$ 77,099	\$ 72,492	\$ 72,730	\$ 70,269	\$ 64,326	\$ 58,815	\$ 50,957	\$ 42,649	\$ 43,062	\$ 40,037
Times, Debt Service Earned	2.22	2.38	2.36	2.35	2.30	2.27	2.16	2.00	2.07	2.03
Net Changes in Reserves										
Transferred from Revenues (above)	\$ 77,099	\$ 72,492	\$ 72,730	\$ 70,269	\$ 64,326	\$ 58,815	\$ 50,957	\$ 42,649	\$ 43,062	\$ 40,037
Interest on Bank Loans	(3,552)	(700)	(6)	—	—	—	—	—	—	—
Bank Loan Payment	(35,000)	(35,000)	(35,000)	(35,000)	—	—	—	—	—	—
Short-Term Note Retirements	—	—	—	(15,000)	(28,000)	(46,000)	(40,000)	(31,500)	(33,000)	(33,000)
Long-Term Debt Retirement Acceleration	—	—	—	—	(958)	(2,531)	(1,195)	(3,551)	(3,147)	(2,590)
Invested in Facilities	(20,000)	(22,000)	(11,000)	—	—	—	—	—	—	—
Debt Service on Bonds Secured by Trusts	(6,116)	(1,540)	(3,704)	—	—	—	—	—	—	—
Adjustment of Securities Value (D)	—	378	11,184	(12,159)	(4,404)	(7,709)	(414)	(4,010)	107	(2,968)
Net Change	\$ 12,431	\$ 13,630	\$ 34,204	\$ 8,110	\$ 30,964	\$ 2,575	\$ 9,348	\$ 3,588	\$ 7,022	\$ 1,479
Reserves—at Year End										
General Reserve	\$ 156,681	\$ 144,675	\$ 127,069	\$ 120,264	\$ 117,950	\$ 90,649	\$ 83,285	\$ 85,593	\$ 80,611	\$ 73,950
Special Reserve (E)	17,551	18,658	19,268	9,615	14,045	12,642	15,219	9,090	10,352	10,781
Air Terminal Reserve (E)	27,489	32,312	33,069	19,739	10,379	8,364	10,051	5,299	5,413	4,423
Marine Terminal Reserve (E)	3,280	3,773	3,954	2,219	1,353	1,108	1,633	858	876	1,076
Consolidated Bond Reserve	7,101	253	2,681	—	—	—	—	—	—	—
Total	\$ 212,102	\$ 199,671	\$ 186,041	\$ 151,837	\$ 143,727	\$ 112,763	\$ 110,188	\$ 100,840	\$ 97,252	\$ 90,230
Debt—At Year End										
General and Refunding Bonds	\$ 15,852	\$ 16,703	\$ 17,045	\$ 18,446	\$ 19,661	\$ 22,290	\$ 24,490	\$ 25,717	\$ 27,035	\$ 33,190
Air Terminal Bonds	24,641	28,601	28,601	36,212	39,870	43,432	46,902	50,280	53,548	56,330
Marine Terminal Bonds	2,983	3,389	3,484	4,031	4,336	4,633	5,360	5,643	5,777	6,543
Consolidated Bonds and Notes	1,523,334	1,398,055	1,221,561	1,143,956	1,115,632	836,136	756,097	774,288	719,749	643,434
Total Bonded Debt	1,566,810	1,446,748	1,270,691	1,202,645	1,179,499	906,491	832,849	855,928	806,109	739,497
Bank Loans	230,000	265,000	200,000	175,000	210,000	—	—	—	—	—
Total	\$1,796,810	\$1,711,748	\$1,470,691	\$1,377,645	\$1,389,499	\$ 906,491	\$ 832,849	\$ 855,928	\$ 806,109	\$ 739,497
Invested in Facilities—At Year End	\$3,047,507	\$2,760,810	\$2,398,502	\$2,098,196	\$1,886,559	\$1,683,799	\$1,584,037	\$1,503,765	\$1,402,722	\$1,327,956
Debt Retirement Through Revenues and Reserves										
Annually	\$ 64,938	\$ 58,943	\$ 66,954	\$ 76,854	\$ 54,992	\$ 72,358	\$ 63,079	\$ 56,681	\$ 56,388	\$ 56,116
Cumulative	1,194,414	1,129,476	1,070,533	1,003,579	926,725	871,733	799,375	736,296	679,615	623,227

(A) These combined totals are presented for general information purposes only; the net revenues of the various facilities for the years listed before 1971 were pledged in support of particular issues of bonds without availability for other bonds or for expenses of facilities financed by other bonds, except under limited circumstances, through the medium of certain reserve funds. Such net revenues are now fully available to pay debt service on Consolidated Bonds. See Note E in Notes to Financial Statements.

(B) Other Income includes income from investment of reserves and net operating revenues and other miscellaneous items.

(C) Net deficits of facilities, the net revenues of which are first pledged to Consolidated Bonds, are shown in this Statement as reductions in the annual amounts otherwise available for reserves to produce the annual amounts shown above as "Net Revenues after Debt Service." Short-term note retirements are shown under "Net Changes

in Reserves." Any balance of short-term maturities was refunded with the proceeds of bond issues.

(D) Investments of reserves and operating funds are carried at their amortized cost or market value, whichever is lower, except that for the year 1967 and thereafter investments in Port Authority bonds are carried at their amortized cost.

(E) Reserve Funds maintained in Trust since December 31, 1970. See Note E in Notes to Financial Statements.

See Notes to Financial Statements

STATEMENT J

The Port Authority of New York and New Jersey
New York State Commuter Car Program
Assets and Liabilities

	December 31, 1972			December 31, 1971
	Related to Cars			Combined Total
	Leased to The Metropolitan Transportation Authority	Leased to Penn Central Transportation Company	Combined Total	
	(In Thousands)			
Assets				
Invested in commuter cars, at cost	\$63,291	\$37,358	\$100,649	\$ 99,978
Investment in U. S. Government Securities, at cost (which approximates market)	298	1,910	2,208	3,723
Cash	10	25	35	274
Other assets	259	439	698	666
Total Assets	63,858	39,732	103,590	104,641
Liabilities				
State Guaranteed Commuter Car Bonds	59,355	31,645	91,000	93,520
Debt retired through income	3,645	6,105	9,750	7,230
Accounts payable and other liabilities	858	1,982	2,840	3,891
Total Liabilities	\$63,858	\$39,732	\$103,590	\$104,641

See Note A-5 to Financial Statements

The Port Authority
of New York and New Jersey

1972 Annual Report

Editor: William E. Fowler, Jr.
Design: Jerome Press
Production: Joseph Cuciniello
Photo Credits: Lead photographs for each chapter Port Authority staff
photographer Don Brewster

Portraits:
Governor Rockefeller Halsman
Governor Cahill and Commissioners
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**The Port
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