

The Port of New York Authority 1970 Annual Report

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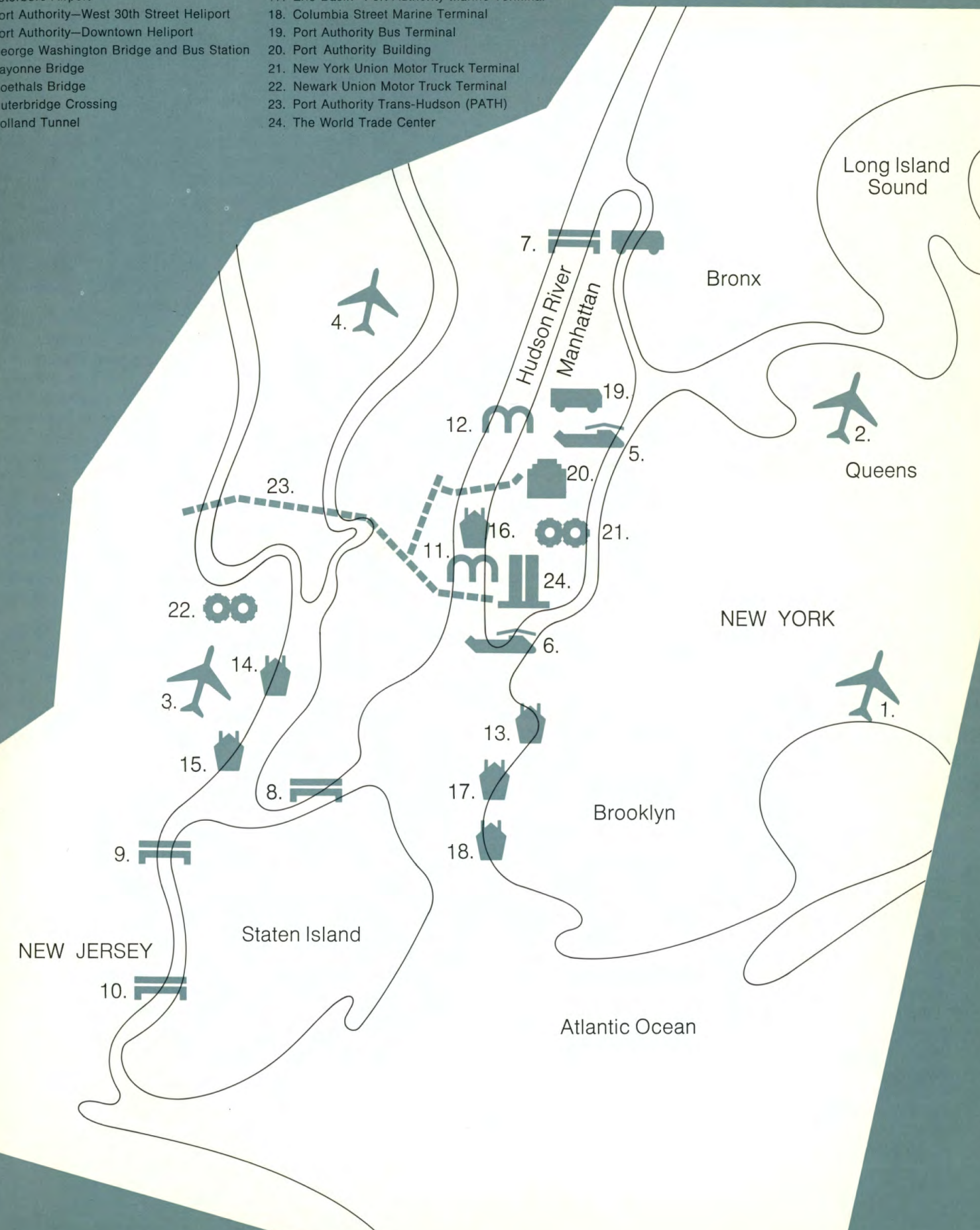
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Port Authority Facilities

- | | |
|---|---|
| 1. John F. Kennedy International Airport | 12. Lincoln Tunnel |
| 2. LaGuardia Airport | 13. Brooklyn—Port Authority Marine Terminal |
| 3. Newark Airport | 14. Port Newark |
| 4. Teterboro Airport | 15. Elizabeth—Port Authority Marine Terminal |
| 5. Port Authority—West 30th Street Heliport | 16. Hoboken—Port Authority Marine Terminal |
| 6. Port Authority—Downtown Heliport | 17. Erie Basin—Port Authority Marine Terminal |
| 7. George Washington Bridge and Bus Station | 18. Columbia Street Marine Terminal |
| 8. Bayonne Bridge | 19. Port Authority Bus Terminal |
| 9. Goethals Bridge | 20. Port Authority Building |
| 10. Outerbridge Crossing | 21. New York Union Motor Truck Terminal |
| 11. Holland Tunnel | 22. Newark Union Motor Truck Terminal |
| | 23. Port Authority Trans-Hudson (PATH) |
| | 24. The World Trade Center |



To:

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

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

The year 1970 was a period of planning and discussion of the program and work of The Port of New York Authority in the years ahead of us, particularly in the field of mass transit, as the agency of the two States. This planning was being carried on mainly as part of the work of the Inter-Agency Task Force established by your Excellencies early in the year to consider the mass transit needs of the area. By the end of the year, the Task Force had made great progress toward identifying specific projects which should be given priority and was preparing a report to be published early in 1971.

While participating actively in this phase of planning for the future of the New Jersey-New York Port District, the Port Authority continued to carry out the assignments already given to it by the two States.

For the PATH rail rapid transit system, 1970 was another year of progress in the modernization program to better serve the public. The Port Authority is expending more than \$200 million on the PATH improvement program. Construction went ahead on the new and bigger PATH Terminal in downtown Manhattan, replacing the obsolete Hudson Terminal. The new terminal, under The World Trade Center, will open in mid-1971. This will make possible the operation of longer trains in addition to the functional and operational improvements and the far greater amenities for the New Jersey commuters, as contrasted with the disadvantages and discomforts of the present 61-year-old Hudson Terminal.

Work continued on the new PATH Journal Square Transportation Center in Jersey City, which is to open in 1973. Forty-six new PATH air-conditioned cars were ordered. Again, in 1970, PATH carried more passengers—a total of 38,954,000, up 3.1 per cent from 1969. In the last five years the PATH passen-

ger volume has grown 48 per cent. But despite all these advances, PATH's financial deficits have increased for eight successive years. The 1970 deficit of \$13 million reported to the Interstate Commerce Commission brought the cumulative deficit on PATH to \$65 million.

Also in the area of mass transportation, the Port Authority announced the details of the expansion of the Bus Terminal in mid-Manhattan which will again enlarge the capacity of that vital facility—this time by 50 per cent. The Bus Terminal, on Eighth Avenue between 40th and 41st Streets, will be extended north along Eighth Avenue all the way to 42nd Street. This will provide more space for people and for bus-berthing, reduce peak hour congestion, and in many ways add to passenger comfort and convenience. Construction of the \$80 million project is to begin in 1971, and will be completed in about two and one-half years.

As part of the Port Authority's continuing efforts to expand international commerce at the bi-state Port and throughout the world, the Port Authority pushed forward with the construction of The World Trade Center. By the year's end, The World Trade Center's North Tower Building was topped out, the twin South Tower Building had reached the 72nd floor, and work proceeded rapidly on other buildings. The first tenants moved in on December 16, 1970, leading the way for hundreds of world trade firms and organizations to be housed in the new headquarters for America's international business. The Federal Government and the Port Authority signed a lease for the occupancy by the Bureau of Customs of the new United States Custom House which will serve the world trade community with increased efficiency. The entire World Trade Center will be completed in 1973.

In water transportation, the Elizabeth-Port Newark marine terminal complex continued in its role as the container capital of America, far outstripping all domestic rival ports. The containerized cargo at Elizabeth exceeded six million tons for the first time in history. The Newark-Elizabeth port complex as a whole handled 9.7 million tons. Together with the other Port Authority

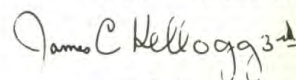
marine facilities in Hoboken and Brooklyn, the total general cargo handled at Port Authority piers and docks reached 12,309,376 tons — up 18.9 per cent from 1969. The increasing demands of commerce required construction of new terminal facilities. At Port Newark a 40-acre cargo terminal and a 10-acre rail container transfer were built. On the Elizabeth side, construction went forward at a rapid pace. By 1973 the Newark-Elizabeth port will comprise 62 ship berths, including 28 for modern containerships, and over 900 acres of supporting upland area.

At the Port Authority's three major airports, the total number of passengers declined for the first time in history, reflecting the recession in the national economy. The 1970 total of 37.4 million passengers was down 2.5 per cent from 1969. Nevertheless, the long-term outlook is for continued increase in air transportation volumes and the Port Authority continued its program to expand the airports to maximum capacity. The \$200 million redevelopment of Newark Airport and the \$150 million expansion of the Central Terminal Area at Kennedy International Airport moved ahead.

Traffic at the Port Authority's six tunnels and bridges totaled 148,281,000 vehicles, an increase of 3.2 per cent over 1969. The overall growth rate continued the slow decline of several years past. The year produced several important improvements for the traveling public. In addition to the time-saving exclusive bus lane on the New Jersey approach to the Lincoln Tunnel, a new and expeditious system of one-way toll collection was instituted at all crossings and a median barrier for greater safety was added on the George Washington Bridge.

This, in brief, was the performance for 1970, another year of conscientious and continued service to all the people of the Port District in attempting to fulfill the directions given to the Port Authority by the two States.

Respectfully yours,



James C. Kellogg, III
Chairman



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



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

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.

Commissioners

James C. Kellogg, III
Chairman
Hoyt Ammidon
Vice Chairman
Andrew C. Axtell
Charles W. Engelhard
Sidney S. Hein
James G. Hellmuth
Walter Henry Jones
Bernard J. Lasker
Gustave L. Levy
William J. Ronan
William A. Sternkopf, Jr.
W. Paul Stillman

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What the Port Authority Is and What It Does

The Port of New York Authority is an agency of the States of New Jersey and New York. Port Authority Commissioners are public officers. Port Authority projects are public projects, but the Authority has no taxing power and cannot pledge the credit of either State. It must raise the capital funds required to construct the projects assigned it by the States by borrowing money on its own credit.

The Port Authority was created by a Compact between the two States in 1921 as a financially self-supporting agency capable of developing and operating terminal, transportation and other facilities of commerce within the bi-state Port of New York District. 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 of New York Authority as their agency to carry out within the District, the projects which they declared "can best be accomplished through the 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 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 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.

Both because they are state officers and because the Governors of

New York and New Jersey can veto actions of the Commissioners, the Commissioners and their Executive Director continually coordinate Port Authority planning and programs with the Governors and State Legislatures, to assure that contemplated Port Authority actions will be in harmony with State policies. The Commissioners' policy of close and continuous liaison with the Governors in the conduct of Port Authority activities has resulted in very rare exercise of the veto power by the Governors.

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 States of New York and New Jersey

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 Airport
Teterboro Airport
Port Authority—West 30th Street Heliport
Port Authority—Downtown Heliport

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

Elizabeth—Port Authority Marine Terminal
Port Newark
Hoboken—Port Authority Marine Terminal
Brooklyn—Port Authority Marine Terminal
Erie Basin—Port Authority Marine Terminal
Columbia Street Marine Terminal

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 has the duty, under the Port Compact, to "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 responsibility, the Port Authority is continually engaged in planning studies on all matters related to the future of transportation and the need for transportation facilities in the Port District. This work involves constant cooperation and coordination with the 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 railroads, bus companies, shipping lines, airlines, civic associations and others.

The Port Authority also 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 trans-

portation center, and the New Jersey-New York Port is constantly competing with other ports for cargo business. 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 Port of New York 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 Port of New York.

The expansion of international trade and the flow of commerce through the Port of New York is the specific purpose of The World Trade Center, now under construction. 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 of New York to better serve international commerce and to attract larger volumes of international trade to the Port of New York.



The Port of New York

The Port of New York is the busiest port in the United States. The unrivaled natural harbor has always provided outstandingly superior facilities and services for the flow of commerce between the nation and the world. The Port has long maintained leadership in oceanborne trade, and through foresighted development is now far ahead of any rivals in adjusting to that great evolution in ocean transportation—the containership. In fact, the Port is the container capital of America.

The Port is also the hub of a far-reaching complex of air, rail and highway transportation. With three major airports, it is the nation's aerial gateway. Major railroads connect the Port directly with the great industrial areas east of the Mississippi, and, by interline connections, with all other portions of the continental United States, Canada and Mexico. A network of high-speed expressways enables many thousands of common carrier motor trucks and passenger buses to provide fast daily service between the Port and all inland areas.

The Port of New York's leadership as a regional transportation center is largely a result of coordinated planning by many public agencies concerned with the movement of goods and people. A great part of the work done by these agencies concerns transportation development in the Port District, an area extending approximately 25 miles in all directions from the Statue of Liberty. This 1,500-square-mile area includes most of the New Jersey-New York metropolitan area.

The 13 million people in this bi-state region have a vital stake in the flow of commerce through the Port. For it is this commerce that provides the foundation of the entire economy of the Port District.

The Port Authority's facilities are

used by about 1,400,000 people a day as passengers, and a substantial portion of the region's freight passes through them. The many business occupations located in these facilities alone provide employment for some 90,000 men and women who earn close to \$1 billion a year.

The transportation needs of the people of the Port District are served by extensive systems of public transportation and highway facilities. This regional complex has been developed to serve travel patterns between suburban and central business districts, as well as the multiplicity of intra-region journeys involved in daily life. The importance of the vital mass transportation services is emphasized by the fact that 90 per cent of the 1,600,000 people who enter Manhattan's central business districts during the peak period of a working day are served by public transportation.

Planning for the benefit of the people of the Port District is a major activity of the Port Authority. Several such projects of great value came to fruition in 1970 after years of planning efforts. These included authorization by Congress of a major cleanup of debris and its sources in New York Harbor and waterfront areas, and the actual start on widening of the Newark Bay Channel.

A program of staggered work hours was initiated in lower Manhattan to reduce the traditional peak hour congestion on mass transportation systems. This program was sponsored jointly by the Downtown-Lower Manhattan Association and the Port Authority.

In cooperation with State and Federal agencies, an exclusive bus lane was put into operation on the New Jersey approach to the Lincoln Tunnel. This sharply reduces morning travel time for commuters to Manhattan. (See Page 32.)

Harbor Cleanup

Authorization of a New York Harbor Cleanup Project was included in the Rivers and Harbors and Flood Control Act which was passed by both Houses of Congress during December and signed by President Nixon on the last day of 1970. Federal funding will now be sought through appropriations.

This was a major victory for the people of the Port District. The Port Authority has coordinated a seven-year fight by public agencies and civic, shipping and maritime organizations to secure this much needed harbor improvement. The project calls for removal of 2,000 derelict vessels and several hundred decaying and abandoned shore structures which foul the waters and beaches of the Port with floating debris.

The harbor cleanup plan made public by the Army Corps of Engineers early in 1969 would take eight years to complete at a cost of about \$28.8 million. A substantial portion of this program would be funded by the Federal government, with the remaining local share to be provided by the two States and by private owners of repairable waterfront property. The Army Corps of Engineers study showed that the project would have a 9 to 1 benefit-to-cost ratio.

The Port Authority will continue to press vigorously for the appropriation of Federal funds to initiate this vital environmental and navigational improvement.

Newark Bay Channel Improvement

Newark Bay is one of the Port's most important assets. Containerships depend upon the Newark Bay Channel to reach their berths in Elizabeth or Port Newark. It is also heavily used by breakbulk cargo vessels, tankers and other craft in the Hackensack



The Port Authority coordinated a seven-year struggle by public agencies, civic and maritime organizations to achieve Congressional authorization of a project to clean up the waterfront throughout the Port to eliminate the source of floating debris.

and Passaic Rivers. In recent years, because it is narrower in some areas than in others, the channel has been the scene of numerous groundings and other accidents.

For more than a decade, the Port Authority, supported by other governmental agencies, maritime and civic interests, conducted a vigorous campaign to have the Newark Bay Channel widened and deepened. After many delays, mostly for economic reasons, Federal funds totaling \$3.5 million were finally obtained to permit a start on the vital improvements in June. Since U. S. Government policy has traditionally been to continue projects once they are started, it is expected that the Newark Bay Channel project will be carried forward to completion without further delay. The improvement program, including deepening of the Hackensack River, is estimated to take four years and cost about \$18.8 million.

South Brother Island

Federalization and deepening to 35 feet of the South Brother Island Channel, which connects the East River with the Astoria waterfront in Queens, was authorized by the Rivers and Harbors Act of 1970, adopted during the closing days of Congress. This action marked the successful conclusion of another concerted effort by the Port Authority, New York State and numerous navigational and civic interests in the Port, to be followed now by a program to obtain Federal appropriations to accomplish the needed improvement.

CNJ Bridge

In recent years the Central Railroad of New Jersey drawbridge across Newark Bay has become an increasingly serious obstacle to navigation. The present two narrow spans are inadequate for the demands of modern

shipping, and this condition will become aggravated as new and larger containerships are placed into service. During 1970 the Port Authority and other port and civic organizations testified at a hearing by the Coast Guard to urge replacement of the present spans with a more efficient facility that will permit safe passage of modern cargo vessels.

New York Harbor Anchorages

Progress continued on another vital port improvement, the New York Harbor Anchorages, and an appropriation of \$3.6 million in Federal funds assured uninterrupted work through 1971. It is estimated that the entire project will cost about \$41 million and take over ten years to complete.

Environmental Program

Throughout 1970 the country has become increasingly concerned about protecting and improving the environment. The Port Authority, long sensitive to the environmental implications of its diverse activities, has been a leader in efforts to effect improvements in the environment. For example, before the introduction of jet planes, the Port Authority developed noise standards for such aircraft and has continually insisted on landing and takeoff procedures to reduce jet noise to a minimum. (See Page 25). It has also carried out research programs to maintain the best possible standards of air purity in vehicular tunnels. The New York Harbor Cleanup project is another instance of such continual attention to protection of the environment.

A further step in the Port Authority's overall environmental program was taken in May, with the establishment of an Office for Environmental Programs. This office is coordinating the Authority's many and varied pro-



Expansion and improvement of anchorage areas in the Upper Bay continued during 1970, with Federal appropriations guaranteed to permit uninterrupted work through 1971.

grams aimed at developing favorable environmental conditions at all its facilities. These programs are being carried out in close cooperation with the recently created New York State Department of Environmental Conservation and the New Jersey Department of Environmental Protection, as well as with appropriate Federal, county and municipal agencies in the Port District. The purpose of the Office of Environmental Programs is to go beyond mere conformance with Federal, State and local regulations to develop practical procedures and programs to assure that all Port Authority activities contribute, where possible, to a better environment.

Inter-Agency Task Force

In March, Governor Cahill of New Jersey and Governor Rockefeller of

New York established an Inter-Agency Task Force to examine, assess and develop recommendations for meeting interstate public transportation needs. The Task Force consists of Commissioner John C. Kohl of the New Jersey Department of Transportation; Dr. William J. Ronan, Chairman of the Metropolitan Transportation Authority; and Austin J. Tobin, Executive Director of the Port Authority. The Task Force developed a tentative program for expanding and improving New Jersey commuter rail service to Manhattan.

Staten Island Report

The Port Authority often functions as an informal metropolitan clearing house on statistics compiled by the Bureau of the Census, the Internal

Revenue Service and by departments of the States of New Jersey and New York. Small area data developed in the preparation of the Port Authority publication in 1966, *The Next Twenty Years*, has been periodically updated, where possible, and supplied to governmental and private institutions interested in the economic development of the Port District. The latest of these efforts was a study, *The Geographic, Human and Economic Resources of Staten Island*, prepared by the Port Authority in cooperation with the New York City Planning Department, New York State, and a number of private civic organizations. The Staten Island Chamber of Commerce has published the report and is using it as an aid to attracting new industry to that rapidly growing part of New York City.



PATH and Rail Transportation

In 1959 the two States enacted legislation which permits assistance by the Port Authority as program administrator in railroad equipment programs without impairment of the Authority's financial structure. The New York State Commuter Railroad Equipment Program was initiated in accordance with this legislation and the approval of the New York electorate in 1961 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.

In 1962 the two States enacted legislation authorizing and directing the Port Authority to acquire, rehabilitate and operate the Hudson & Manhattan Railroad. 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.

The PATH rail rapid transit system entered the 1970s on an up note as it made significant progress in its modernization program and also achieved impressive gains in passenger volume.

PATH carried 38,954,000 passengers in 1970, an increase of 3.1 per cent over 1969. Compared with the 26,400,000 passengers carried in 1965—the low point in the 63-year-old system's history—there has been a 48 per cent increase in traffic over the last five years.

Despite these gains, PATH's deficit reported to the Interstate Commerce Commission increased for the eighth successive year, to a high of \$13.2 million in 1970. The total Port Authority cost of modernizing PATH will exceed \$200 million.

Highlights of 1970 were the award of an \$8,404,568 contract to Hawker Siddeley Canada Limited for an additional 46 new air-conditioned rapid transit cars; the opening of a new \$1 million entrance to the Grove Street station in Jersey City; completion of a four-year \$3.3 million track rehabilitation program in the above-ground area between Jersey City and Newark; and authorization of a \$3.1 million fare collection system modernization program. In addition, a \$774,700 project was authorized to complete the rehabilitation and modernization of PATH internal communications systems.

Excellent progress also was made on construction of the new PATH Terminal in The World Trade Center in lower Manhattan. The new PATH Terminal is scheduled to open in mid-1971. Demolition of existing structures on the site of the new PATH Journal Square Transportation Center in Jersey City was begun in 1970 and major construction will be under way in 1971. The Transportation Center is scheduled for completion in 1973.

New Terminal In Lower Manhattan

PATH passengers travelling to and from lower Manhattan soon will be using the ultra-modern rail transit terminal within The World Trade Center, located just west of the existing 61-year-old Hudson Terminal.

The new terminal will have many modern features for the comfort and convenience of PATH passengers, including high-speed escalators, an air-conditioned mezzanine and modern communications and lighting systems. Most important, it will have longer and wider platforms and more space for peak-hour passenger flow. The extended platforms will make possible the operation at a future date of trains of up to ten cars instead of the present six-car trains. Since trains now operate through the downtown under-river tunnels at maximum frequency during peak hours, only the use of longer trains can increase passenger capacity between lower Manhattan and PATH's New Jersey stations.

The 46 new air-conditioned cars ordered in 1970 will play an important part in expanding PATH's passenger-carrying capacity and thus make the peak-period ride into the new Manhattan terminal more comfortable. When these cars are delivered, PATH will begin operating eight-car trains on the Newark-World Trade Center service and seven-car trains on the Hoboken-World Trade Center service. With the addition of these 46 new cars, there will be 298 cars in the completely air-conditioned PATH fleet.

Journal Square Transportation Center

The Grove Street improvements were the first portions of the Journal Square Transportation Center project to be completed. The new entrance



to the Grove Street station, situated in a remodeled park, was opened to the public in June. Residents of downtown Jersey City, in addition to improved transit facilities, now have a model park with extensive seating areas where formerly there had been only fenced-in areas of limited use.

The major part of the Journal Square Transportation Center project is a coordinated public transportation facility comprising two new PATH station platforms capable of handling longer trains, a consolidated bus station with off-street berths for buses serving 30 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 private autos. The Transportation Center also will contain a building housing PATH's administrative offices. It is being financed in part by a Federal grant under the Urban Mass Transportation Act of 1964.

In July, the Wigton-Abbott Corporation of Plainfield, New Jersey was retained under a \$750,000 agreement to provide construction consulting services on the Transportation Center project.

Demolition work on the north side of the Transportation Center site began in October, and by the end of that month all of the nineteen residential structures in that area had been cleared. In November, demolition commenced on the major structures on the south side of the site and by year's end was proceeding on schedule. During the year, the new eastbound and westbound bypass tracks, extending from the Transportation Center site east to the tunnel portals, were completed. At track level of the existing Journal Square station, work is proceeding on track alterations to permit lengthening the platform for longer trains.

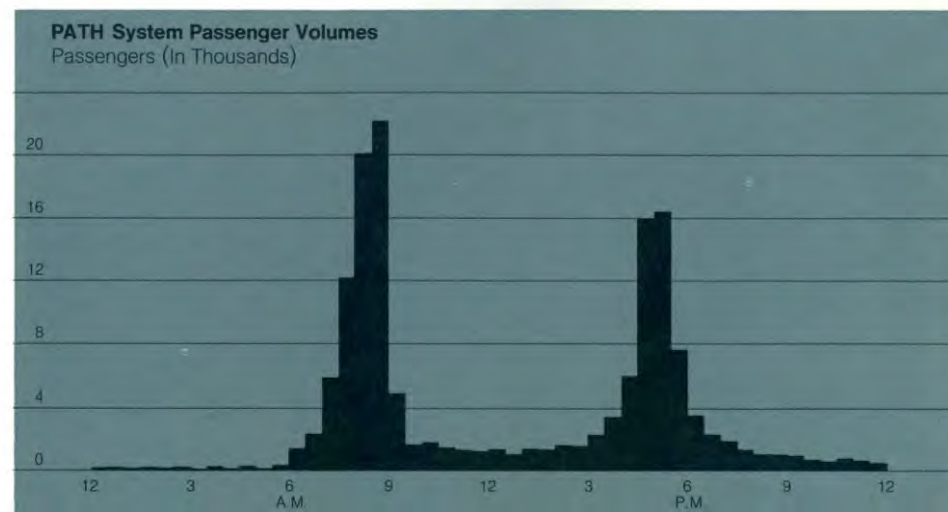


Improvement of PATH's Grove Street Station included construction of an attractive landscaped park, opened in June.

Other Major Modernization Projects

PATH has come a long way since the bankrupt Hudson and Manhattan Railroad was acquired by the Port Authority on September 1, 1962. One of the chief parts of the modernization program is complete replacement of the former H&M's antiquated

electrical traction power system with a new silicon rectifier power system. The last of four new substations to be built as part of the traction power system modernization in the tunnel areas is now nearing completion. To date, over \$8 million has been spent for PATH's power system modernization.



Work is under way on a \$2.7 million project for the installation of a modern system-wide supervisory control system for traction power. The supervisory system will enable employees in PATH's new Operations Control Center, to be located in the Journal Square Transportation Center, to monitor and control all vital components of the traction power and utility systems.

The three-stage rehabilitation of the PATH signal system in tunnel areas is now in its final stage. This \$2 million improvement program calls for rebuilding or replacing all signal equipment, modernization of automatic and interlocking signal control equipment, improvement of signal power distribution facilities and centralizing the control of the signal system. In addition to the tunnel signal work, about \$1.6 million will be spent for improvements to the signal system in the above-ground area between Jersey City and Newark. There, a \$7.1 million project is under way to provide the increased traction power capacity required for the operation of longer trains between Newark and the new World Trade Center terminal.

A comprehensive four-year track renewal program for the above-ground area, costing approximately \$3.3 million, was completed in 1970.

Much of this track, signal and power improvement work was required to overcome years of deferred maintenance of the former Pennsylvania Railroad facilities which PATH acquired on April 30, 1967, upon implementation of the State of New Jersey's Aldene Plan. PATH received a \$5.1 million Federal grant in 1965 to help finance these Aldene Plan area improvements.

Other important aspects of PATH's extensive modernization program have been the improvement of tun-



When completed, this main bank of high speed escalators being installed in the new World Trade Center Terminal will provide more convenient service to the 85,000 daily passengers using this station of the PATH mass transit system.

nel drainage, rehabilitation of utility systems and the renovation of maintenance shops and car yards. Improvements to station platforms and entrances are included in PATH's new Environmental Improvement Program.

PATH's present token fare collection system will be phased out and replaced by an exact change fare collection system beginning in early 1971. The new fare collection program is expected to save time for PATH passengers and reduce the cost of fare collection.

Improved Communications with Passengers

By the end of 1970 most of PATH's passenger car fleet had been equipped with new two-way radio communications equipment, and all necessary wayside installations had been completed. Complete installation of train-to-wayside equipment for the entire PATH system is planned by the end of 1971. The \$730,000 radio communications system will permit direct radio communications between the PATH Operations Control Center and crews and

passengers on all trains, and will be invaluable in transmitting messages regarding train movements and service disruptions.

The final step in the complete improvement and modernization of the PATH communications system will be a \$774,700 project, started in November, for the replacement of antiquated cable and related equipment throughout the 13.9-mile interstate transit system. Under this project, new cable, intercom systems, tunnel telephones and public address equipment will be phased into operation over a two-year period.

Community Programs

PATH made important contributions to the communities it serves during 1970 through special programs on rail transit safety education for school children and tour programs for disadvantaged youth.

Over 5,000 children in East Newark, Harrison and Kearny public and parochial schools participated during the year in a community public safety program. In this program the PATH police used a film and lecture to alert children to the dangers of rock throwing, switch tampering, placing objects on the tracks, and walking on the rails. Including 1969's program for Jersey City elementary school children, more than 13,000 children have participated in this program.

For the second straight year, over 1,000 area children took part in PATH's summer tour programs. The youngsters, many of them from economically depressed areas, were escorted by PATH guides on a tour of the system and received a briefing on PATH and its modernization program. At a special luncheon in September, PATH and the Port Authority were presented with a certificate of appreciation by the Human Re-



Removal of old buildings in the Journal Square area began in October to make way for construction of the transportation center scheduled for completion in 1973.

sources Administration of the City of New York. The award, in recognition of the summer tour program for children, was given for "outstanding services to enrich, motivate or employ the youth of the City of New York through participation in programs operated by the Youth Services Agency and its Neighborhood Youth Corps." Similar accolades were received from Hoboken and other New Jersey municipalities.

New York State Commuter Railroad Equipment Program

Since 1962, under the New York State Railroad Equipment Program, a total of 467 rail passenger cars and eight locomotives have been purchased or ordered for use in commuter service in New York on the Long Island and Penn Central Railroads.

During 1970 the last of 270 new stainless steel multiple-unit electric coaches, which together with eight new diesel-electric locomotives were financed by the Port Authority in 1968 and 1969, were put into service on the Long Island Railroad. The Port Authority purchased the new railroad equipment and is leasing it to the Metropolitan Transportation Authority (MTA), the New York State agency which owns and operates the Long Island Railroad.

Previously, under the commuter car program, a total of 117 new air-conditioned commuter cars had been delivered to the New York Central Railroad (now part of the Penn Central Transportation Company) and the Long Island Railroad between 1962 and 1965.

In October 1970, the Port Authority



For the second straight year, more than 1,000 children took part in behind-the-scenes educational tours of the PATH system.

authorized the acquisition of 80 additional new air-conditioned multiple-unit electric coaches under the New York State program to be used on the Hudson and Harlem Divisions of the Penn Central as part of a modernization program sponsored by MTA. These cars would be acquired with the proceeds of New York State Guaranteed Commuter Car Bonds issued by the Authority in an amount not to exceed \$25 million and are being leased to the Trustees of the Penn Central Transportation Company. Delivery of the cars is expected to be completed by the end of 1971.

The lease of the new cars was approved on November 9, 1970 by the United States District Court for the Eastern District of Pennsylvania, which has jurisdiction over the Penn Central reorganization proceedings.

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 could act to make the Port Authority administrator of its own particular commuter railroad equipment financing program. The approval of the New York electorate in November 1961 permits New York State to guarantee up to \$100 million of special Port Authority bonds to finance rolling stock for passenger transportation.

The agreements between the Port Authority and the railroads require the railroads to pay rentals on cars involved 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

The Port Authority Bus Terminal in mid-Manhattan, which serves 215,000 travelers each day, including many thousands of commuters chiefly from New Jersey, is the busiest mass transportation terminal in the world. The Bus Terminal was opened in 1950 and an expansion program, completed in 1963, added another bus operating level. Currently still another and even greater enlargement is in progress which will increase the Bus Terminal's capacity by 50 per cent.

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.

The Port Authority's five centralized bus and truck terminal facilities continued to serve the people of the metropolitan area at high levels of activity. These facilities are the Port Authority Bus Terminal, the George Washington Bridge Bus Station, the Newark and New York Union Motor Truck Terminals, and the Port Authority Building.

The year 1970 brought even greater activity to the Port Authority Bus Terminal, the world's largest and busiest passenger facility. For the second time in its twenty-year history, the Bus Terminal will expand to provide improved service for the public's growing requirements. The George Washington Bridge Bus Station also recorded another vigorous year of performance. The Newark and New York Truck Terminals, which serve as freight consolidation and transfer stations, were 100 per cent occupied. The fifteen-story Port Authority Building was fully occupied.

Port Authority Bus Terminal

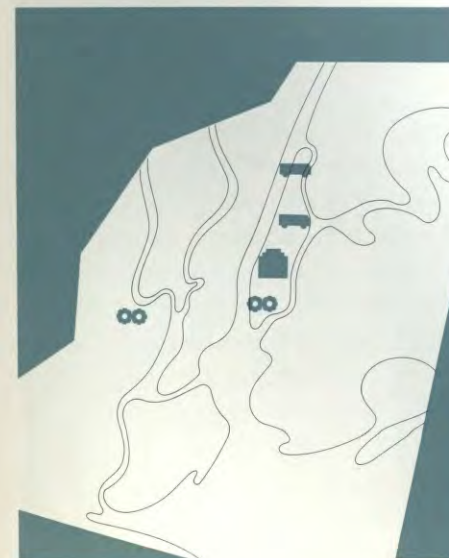
During 1970 the Bus Terminal accommodated a total of 67,800,000 passenger arrivals and departures, an increase of 0.8 per cent over 1969. On a typical day the Terminal serves about 215,000 bus travelers on some 8,000 bus movements. In 1970 there were 2,500,000 bus arrivals and departures at the Terminal, an increase of 1.3 per cent over 1969. This total represents 1,675,000 short haul bus movements and 825,000 long haul. Major contributing factors to the increase were the upward trend in suburban commuting and a general growth of inter-city bus travel. In December 1970 an exclusive bus lane was opened on the New Jersey approach to the Lincoln Tunnel which saves up to 15 minutes morning travel time for 35,000 com-

muters to the Terminal (See Page 32).

The continuing suburban expansion has generated business for new bus carriers as well as route diversification for established carriers. As a result the bus has emerged as an important means of public transportation for New Jersey commuters. About 620,000 residents of nine northern New Jersey counties travel to and from work in New York City by all modes of transportation. Of these, some 190,000 rely on bus transportation.

In order to serve the growing numbers of bus travelers with greater efficiency and comfort, the Port Authority announced detailed plans in July 1970 for a great expansion of the Bus Terminal. The Terminal on Eighth Avenue between 40th and 41st Streets will be extended to 42nd Street and increased to more than one and one-half times its present size. Thus the peak-hour capacity will be increased about 50 per cent. The necessary land has been acquired and cleared, and plans and the necessary reviews by other governmental agencies are nearing completion. Construction on the \$80 million project is scheduled to begin in 1971 and will be completed in about two and one-half years.

The Bus Terminal enlargement into the additional space will comprise a level-by-level extension of the present bus operating levels and the subway and second floor passenger concourse areas. In addition to providing a badly needed increase in bus berth space, the Terminal extension will add in many ways to the passenger comfort and convenience. There will be more room everywhere for people to move. A substantial increase in motorstair capacity will facilitate the peak period movement of commuters. The additional Main Concourse area will provide an addi-





Taxi attendants employed at the Bus Terminal summon cabs, assist passengers with their luggage and provide information to travelers, but do not accept tips.

tional entrance at Eighth Avenue and 42nd Street, and thus greatly relieve congestion. More space will be available for consumer services. In short, the bigger and better Bus Terminal is designed to serve the public increasingly well.

To reduce traffic congestion in the Bus Terminal area, a two-lane ventilated underpass will be built underneath 41st Street and Ninth Avenue to facilitate connections between the Lower Level of the expanded facility and the Lincoln Tunnel and local streets. A new roadway will connect 41st and 42nd Streets at the west end of the Bus Terminal extension, and divert much taxicab traffic.

The air rights above the Bus Terminal extension are planned to be leased to a private developer who would finance and construct a 45-story office tower at an estimated cost of more than \$50 million. This private development would not only produce substantial revenues for the City of New York in real estate taxes, but also aid in the overall redevelopment of midtown Manhattan. At the year's end, negotiations were still in process.

George Washington Bridge Bus Station

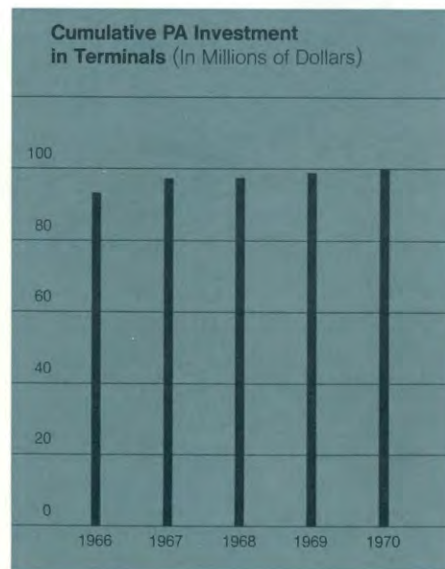
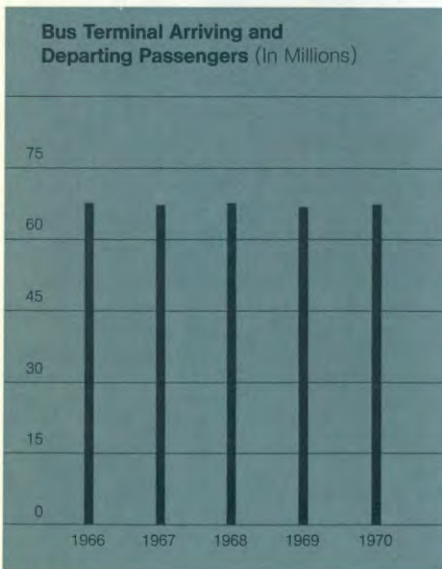
During 1970 the Bus Station served 12,950,000 passengers, an increase of 0.3 per cent over 1969. The Station, with its direct ramp connection to the George Washington Bridge, accommodates some 45,000 travelers daily to and from nearby communities in Bergen and Rockland Counties. In 1970, the Station's eighth year of operation, there were 545,000 arriving and departing buses. These were, for the greatest part, suburban buses serving commuters. Long haul travel, in 1970, accounted for 30,000 of the total departures from the Bus Station.



The Port Authority Bus Terminal, world's busiest mass transportation terminal, will be increased to one and a half times the existing capacity through construction of an \$80 million extension on Eighth Avenue to 42nd Street.



On a normal business day, the Bus Terminal serves about 215,000 bus travelers, many of whom are commuters between New Jersey and New York.





Water Transportation

In 1948 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 1952 the Port Authority began the reconstruction of the historic Hoboken Piers under lease with the United States Maritime Administration and the City of Hoboken (dedicated in 1956 as the Hoboken-Port Authority Marine Terminal).

In 1956 the Port Authority purchased from private ownership two miles of Brooklyn waterfront, 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).

In 1962 the Port Authority opened the Elizabeth-Port Authority Marine Terminal, an entirely new container facility on Newark Bay in Elizabeth, New Jersey (begun in 1958).

Marked increases in general cargo tonnages and waterfront employment highlighted the operation of the Port Authority's six marine terminals during 1970. The total of 12,309,376 long tons of general cargo was 18.9 per cent above 1969. There was a six-week-long waterfront strike in 1969, but the true growth rate continued strong. The year 1970 showed a 23.3 per cent increase over 1968.

These increased tonnages created employment at the marine terminals for nearly 12,000 workers who earned over \$92 million during the year. Longshoremen's calls at the Port Newark-Elizabeth Marine Terminal complex were up 18.6 per cent from the previous year. In addition, the continuing construction programs at these facilities generated employment for 500 people, who earned \$6,750,000 in 1970.

The rapidly developing Elizabeth Marine Terminal had a 48 per cent gain in containerized cargo, exceeding the six-million-ton mark for the first time. With 3,332,663 long tons of general cargo handled at Port Newark, the total general cargo moving through the two New Jersey seaports reached 9,740,674 long tons, up 41 per cent from 1968.

General cargo tonnages at the Brooklyn, Erie Basin and Columbia Street marine terminals declined 6 per cent in 1970, relative to 1968 levels, to 2,238,559 long tons. The decline is attributed to national economic conditions, the relocation of several steamship lines to other areas, and the impact of containerization.

At Hoboken, total tonnage declined 17 per cent, compared with 1968, to 330,143 long tons. This reflected the expanded containerized operation of American Export Isbrandtsen Lines, and that firm's relocation in November to another area in the port.

Construction

The increasing tonnage handled at the Port Newark-Elizabeth complex required construction of new terminal facilities to meet both present and future shipping demands.

Further progress was made on the development of cargo handling facilities on the north side of the Elizabeth Channel in Port Newark. A 40-acre combination container-breakbulk cargo terminal was completed and leased by the Universal Terminal and Stevedoring Corporation. The terminal comprises 2,058 feet of berthing space, two container cranes and a 230,000-square-foot transit shed. This is part of a major project, undertaken in 1969, to develop over 100 acres of paved upland area and 3,822 feet of berthing space suitable for handling both containers and conventional cargoes. The completion of this project in 1971 will mark the development of all berthing areas on the Elizabeth Channel at Port Newark. These facilities represent an investment of \$24 million, bringing the total Port Authority investment in the Port Newark facility to \$125 million.

A 10-acre rail container transfer yard and storage area was constructed at Port Newark to enable the Penn Central Transportation Company to handle containers and trailers directly by rail to and from Port Newark-Elizabeth. The yard was completed in January 1971 and began operations in February.

On the Elizabeth side, a \$6,867,410 contract for construction of five vessel berths at the south end of the Elizabeth-Port Authority Marine Terminal was awarded in September. The 3,870-foot wharf is scheduled for completion in October 1971. It is part of a project authorized in 1969, which includes 185 acres of upland area for container operations as well



as the five vessel berths to be built.

By 1973 the last phases of Elizabeth's development—all berthing and upland areas—will have been accomplished. Elizabeth will then comprise 16,850 feet of berthing space capable of accommodating 25 modern containerships, and over 900 acres of supporting upland area. The Port Authority's investment in the facility then will be \$ 170 million.

During 1970, an intensified paving program was conducted at Newark and Elizabeth providing approximately 110 acres of additional paved upland area.

Stabilizing the Soil

An innovative technique developed by Port Authority staff members to provide firm footing for marine structures was used for the first time in 1970 at the Elizabeth-Port Authority Marine Terminal. The new method involved pumping 320 million gallons of sea water from Newark Bay into two plastic-lined reservoirs on 63 acres on the southerly portion of the Elizabeth facility.

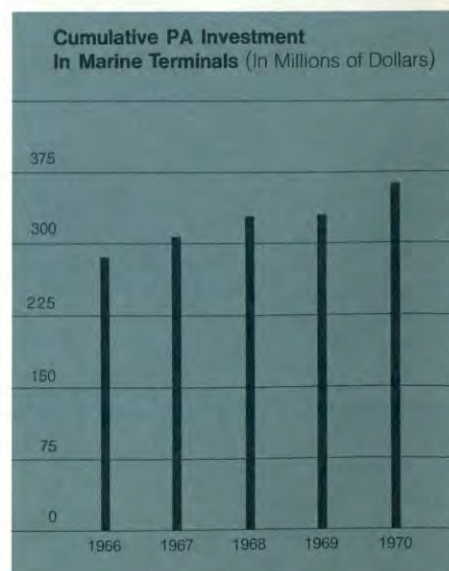
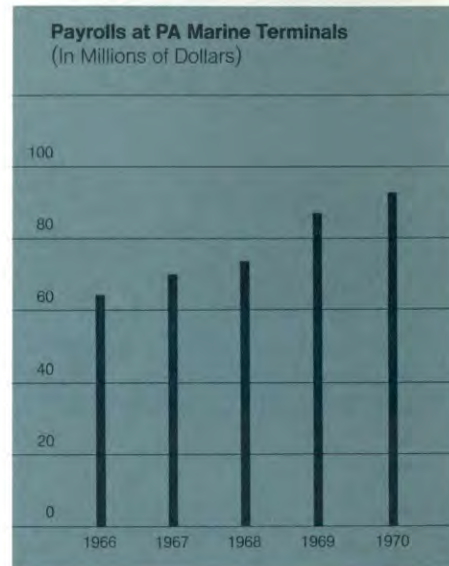
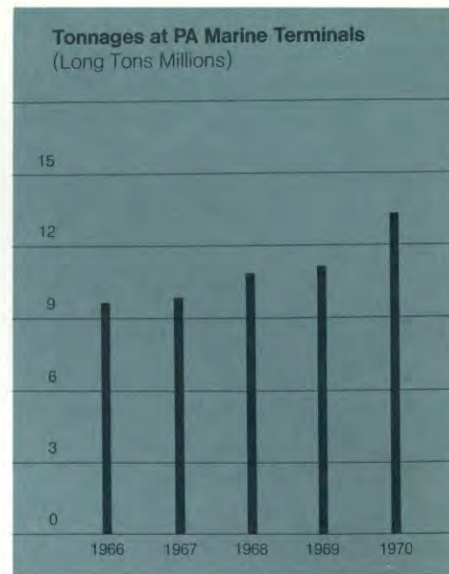
The conventional sand surcharge method previously used in constructing the Elizabeth terminal proved economical because the sand fill could readily be moved, as required, to adjacent development sites. But this method was impractical in the present project, which is part of the final phase of Elizabeth construction, because the fill would have to be trucked from the site at considerable expense. During 1971, when the site has been adequately consolidated, the sea water used in the new method will simply be returned to Newark Bay. The completed site eventually will be used as paved upland area for the last five container berths now being constructed at Elizabeth.

Port Service Improvement Committee

In an effort to investigate and develop practical solutions to problems affecting service in shipping waterborne cargoes through the Port of New York, an inter-departmental Port Service Improvement Committee was established in June. Many of the



New method of preparing site for construction at the Elizabeth Marine Terminal uses seawater pumped from Newark Bay into huge plastic-lined reservoirs.



problems affecting service in the Port reflect the great changes in shipping technology and methods of recent years. As other ports have developed their capacity to compete technically with New York, the continuing need to improve the effectiveness of shipping services in the Port of New York is evident.

During its beginning months, the Committee initiated projects designed to improve communications among the New York shipping community and educate newly hired shipping industry personnel about specialized port operating techniques.

Consolidated Passenger Ship Terminal

The Consolidated Passenger Ship Terminal would be developed jointly by the City of New York and the Port Authority to replace the inadequate existing passenger ship facilities on the Hudson River. Discussions of physical and financial plans continued in 1970 between the City of New York, the Port Authority and the shipping lines concerned.



Port Authority's six marine terminals handled over 12 million long tons of general cargo in 1970 and provided jobs for nearly 12,000 people.



Elizabeth Marine Terminal, Container Capital of America, provides hundreds of acres of upland area for handling and storage of cargo.



Air Transportation

The Legislatures of the two States, by legislation adopted in 1947, specifically authorized the Port Authority to operate air terminals in the area.

That same year, the Port Authority concluded a lease with the City of New York under which the bi-state agency undertook the responsibility for further development and operation of LaGuardia Airport (built from 1937 to 1939) and New York International Airport (started in 1941 and opened for operation in 1948). New York International Airport was rededicated as John F. Kennedy International Airport in 1963.

In 1948, 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 1949, the Port Authority purchased Teterboro Airport from a private owner.

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).

During 1970 a total of some 37.4 million domestic and overseas passengers used the three major airports—John F. Kennedy International, LaGuardia and Newark—operated by the Port Authority in the New York-New Jersey metropolitan area.

For the first time in history, however, the total number of passengers declined. The slowdown in the national economy, together with labor problems in the air transportation industry, contributed to a 2.5 per cent drop from 1969 levels.

The 1970 total of some 27.9 million domestic passengers was 6 per cent below 1969. But overseas travel maintained the vigorous pace of the last two decades. The total of about 9.5 million overseas passengers in 1970 was 9.4 per cent ahead of 1969. The further reduction in trans-Atlantic air fares during the year contributed to this advance.

Efforts to utilize existing regional airport capacity to the fullest included a continuation of the Federal Aviation Administration's hourly flight limitations and the Port Authority's increased minimum fee for small aircraft during peak travel times. These measures proved effective in shifting some flight schedules to less busy periods of the day and in reducing the business and private aircraft traffic at the major airports. At Kennedy International Airport, about 75 per cent of general aviation movements were air taxi flights, most of which used non-duty runways.

Expanding Capacity

The Port Authority continued its program to expand the airports to their maximum capacity. The \$200 million redevelopment of Newark Airport and the \$150 million expansion of the Central Terminal Area at Kennedy International Airport moved ahead on schedule. Furthermore, plans were

announced for an expansion of hangar and service facilities at LaGuardia Airport, some of which will be constructed in the former seaplane operating area. The Port Authority also retained consultants to design passenger check-in terminals and multi-level parking areas within the parking lots at Kennedy International Airport.

Despite the 1970 downturn in total passenger volume at the airports, the long-term outlook is for a continued increase.

During the year, the Port Authority indicated to the Civil Aeronautics Board, in testimony on the Northeast Corridor V/STOL (Vertical or Short Takeoff and Landing) investigation, its desire to build a STOLport near Secaucus, subject to the concurrence of appropriate State and local officials. The CAB endorsed its examiner's findings that V/STOL service was feasible and needed in the Northeast Corridor and proceeded with hearings in Phase Two of the investigation to authorize route awards for STOL service between major cities.

Aircraft Noise

The Port Authority continued its efforts to persuade the Federal Aviation Administration to act to reduce the noise of jet aircraft. Deputy Executive Director Matthias E. Lukens, serving as President of Airport Operators Council International during 1970, focused attention upon the problem of noise and the need for regulations requiring retrofit of current aircraft to reduce jet engine noise at its source.

Shortly before the end of the year, the FAA solicited comments from the public and aviation industry on a proposal to require retrofit of the current jet aircraft fleet. The Port Authority endorsed the proposal and encour-



aged the FAA to establish and implement a retrofit program as expeditiously as possible.

In addition the Port Authority supported the policy of the AOCI in urging Congress to approve further funding of the SST development program only if there were unequivocal assurances in advance that production models of the SST would be required to meet FAA noise regulations already promulgated for future aircraft.

Ground Access

As part of continuing efforts to improve ground access to the airports, the Port Authority advanced plans with the Metropolitan Transportation Authority and the airlines for a rail line between Kennedy International Airport and Manhattan. Engineering designs of alternate means for the distribution of rail passengers in the

Princess Alexandra of Great Britain is welcomed by Chairman James C. Kellogg III at dedication of new BOAC passenger terminal at Kennedy Airport in September.



Central Terminal Area of the Airport were undertaken. Studies were also made for an inter-terminal transportation system at Newark Airport, which may include an extension to the Penn Central main line, as one possible way to provide rapid transit to the airport.

Air Cargo Crime

In an effort to stem criminal activities in the cargo centers at Kennedy International and Newark Airport, the Port Authority supported the legislation that would have empowered the Waterfront Commission to regulate activity in these areas. Among other things, the bill empowered the Commission to license all air cargo firms operating on the airports. This legislation was enacted by the States of New York and New Jersey, but has not as yet been consented to by Congress as requested by the two States.

General Aviation

Operation of Teterboro Airport, the Port Authority's general aviation airport, was assumed by Pan American World Airways at the beginning of the year under an agreement which obligates the airline to develop and operate the airport for the benefit of the people of the Port District for a period of 30 years. The agreement specifies that Teterboro will continue as a public general aviation airport and precludes the use of the airport for any scheduled commercial airline flights other than helicopter flights. The Port Authority also operates two Manhattan heliports.

During the year, the Port Authority assisted the MTA in developing Stewart Air Force Base, in Newburgh, New York, and Republic Airport on Long Island as major general aviation facilities. The Port Authority assigned a group of its airport personnel to



Improved patron services at Kennedy Airport included an increased force of multi-lingual "Golden Girls" to assist passengers.

Stewart Airport for the initial phase of MTA operations, and aided in improving and handling of general aviation traffic at Republic.

The Port Authority has invested \$860 million over the past 24 years in the development of the regional airport system.

John F. Kennedy International Airport

Passenger traffic at Kennedy International Airport declined slightly in 1970. The airport served a total of 19,096,705 passengers, a decrease of 2.1 per cent from 1969. Overseas passenger totals rose 9.9 per cent, but domestic passenger traffic dropped 11 per cent.

More than \$500 million in new airport construction was completed, under way or about to start at year's end. This included \$375 million for new and expanded passenger and cargo facilities by the airlines.

The largest Port Authority construction project is the \$65 million expansion of the International Arrival and Wing Buildings complex. Completion of all structural work is expected by early spring of 1971.

New construction and expansion of terminals in the Central Terminal Area has been made possible by the outward relocation of the dual Peripheral Taxiway System; relocation was 60 per cent completed at year's



Central Passenger Terminal Area at Kennedy Airport, where the Port Authority and the airlines have major expansion projects under way.

end. The resurfacing of runways and resurfacing and widening of taxiways to accommodate the large-capacity 747 aircraft continued through the year. Work was completed on the 14,600-foot Runway 13R-13L.

Two additional Instrument Landing systems are being installed now, jointly with the Federal Aviation Administration, with a third system due in 1971. An automated Surface Traffic Control System (STRACS) to provide guidance for aircraft over the airport's complex taxiway system is also under study.

Two large new airline terminals were completed in the Central Terminal Area. These were the British Overseas Airways Corporation's \$57 million building and the National Airlines \$35 million structure. Also opened nearby were the \$25 million

Trans World Airlines "Flight Wing One" addition, and the South Finger of the \$10-million interim expansion of American Airlines.

Supplemental airline terminal facilities were increased four-fold with the conversion of a former warehouse to a new North Passenger Departure Terminal. The original North Passenger Terminal, a short bus ride away, will handle domestic arrivals only.

A number of improvements were instituted to ease passenger flow through the International Arrival Building and on the roadways. New buses were assigned to the free route between the Central Terminal Area and the North Passenger Terminals. To better utilize the Central Terminal Area parking space, the rate in the remote Long-Term Parking

Lot was reduced and some parking fees in the central lots were increased during the summer peak season.

Patron services at the International Arrival Building were improved by increasing the number of Skycaps and Baggage Handlers and adding more baggage conveyor belts and counters. The number of Golden Girls, the multi-lingual passenger aides, was increased to more than 30, in a joint program with the United States Department of Health, Education and Welfare. New information aids, such as map/guides and leaflets, were widely distributed.

Pan American World Airways continued on a \$175 million program in several parts of the airport. This includes a six-fold expansion of the airline's Central Terminal Area unit terminal; erection of a hangar and a

Airports at a Glance

Totals at the Three Major Airports*

Plane Movements	868,095
Passenger Traffic	37,402,335
Cargo—(tons)	956,662
Revenue Mail—(tons)	205,402
Total Employment	56,918
Estimated Total Payroll	\$655,000,000

John F. Kennedy Airport

Plane Movements	365,848
Passenger Traffic (total)	19,096,705
Domestic	9,933,805
Overseas	9,162,900
Cargo—(tons)	759,546
Total Employment	43,003
Estimated Total Payroll	\$490,000,000

LaGuardia Airport

Plane Movements	297,652
Passenger Traffic	11,845,141
Cargo—(tons)	39,815
Total Employment	7,354
Estimated Total Payroll	\$90,000,000

Newark Airport

Plane Movements	204,595
Passenger Traffic	6,460,489
Cargo—(tons)	157,301
Total Employment	6,561
Estimated Total Payroll	\$75,000,000

*In addition, Teterboro Airport, operated for the Port Authority under agreement by Pan American World Airways, handled 240,792 non-airline plane movements.

maintenance building complex in the southwestern sector of the airport; and the \$2 million interim "Terminal Number Two" on the Van Wyck Approach, to handle domestic and pre-cleared overseas arrivals until the unit terminal expansion is completed. "Terminal Two" opened in February.

A total of \$42.5 million in construction was under way or in final planning stages to expand the airport's facilities for handling cargo.

Various measures have been instituted to expedite and protect the increased volume of cargo. The over-the-road motor carriers have successfully started operating a centralized document pick-up center in the midst of the Cargo Center, and the Port Authority is building an adjacent park/hold area for cargo trucks. Studies are under way for expansion of the roadway and parking system to

the cargo area, and for selection of a site for a high-value depository.

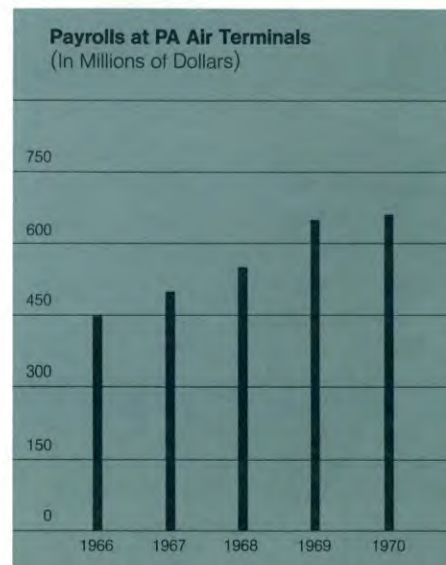
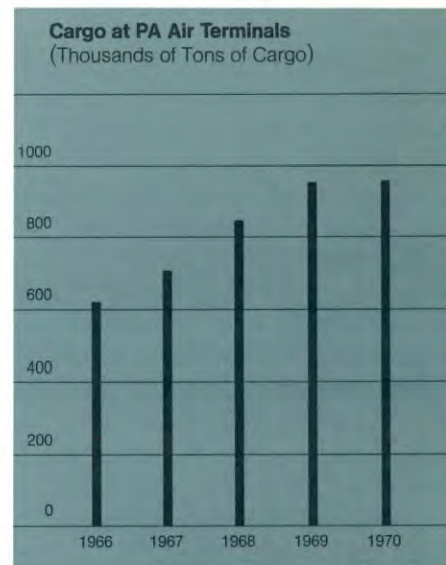
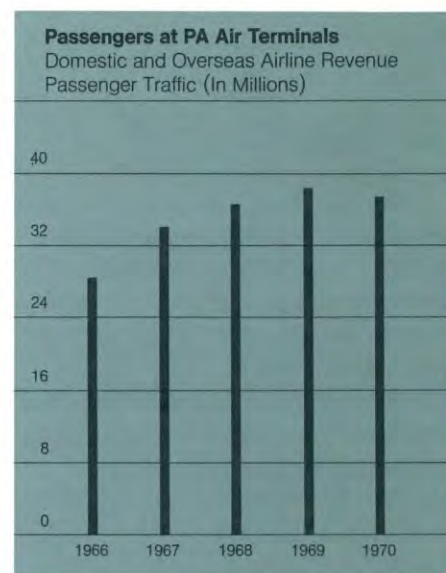
In view of the urgent need for additional air terminal capacity in the region, the Port Authority asked the National Academy of Sciences to determine whether the construction of additional runways in Jamaica Bay to increase the capacity of Kennedy International Airport could be carried out in conjunction with plans to improve and restore the environment of the Jamaica Bay area. The Academy agreed to undertake such a study and a report on its findings was nearing completion at year's end.* In announcing the study, the Port Authority stated that it had no independent power to authorize such an expansion into the Bay and that it would make no such recommendation without giving first attention to environmental and ecological considerations, including aircraft noise. The Port Authority has no power to undertake such a project without authorization from the two States.

LaGuardia Airport

Although LaGuardia Airport failed to maintain the rapid growth pace set since 1963, it was the only airport in the region where domestic traffic managed to remain approximately at 1969 levels. LaGuardia served 11,845,141 passengers in 1970, virtually all on domestic schedules, an increase of 0.9 per cent.

A preliminary plan to enlarge LaGuardia's capacity was announced during the year. Additional hangar and parking facilities are to be constructed at the western end of the airport. The 133-acre addition is

* The report of the National Academy of Sciences, issued in February 1971, stated that "any runway construction will damage the natural environment of the Bay." The Port Authority therefore announced that it will not proceed with any recommendations for building new runways in the Bay.

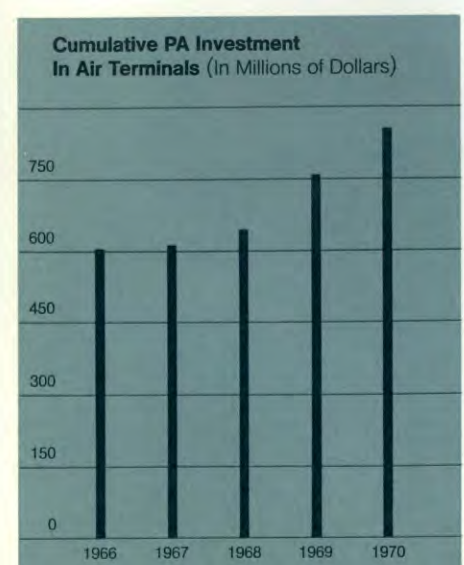


Redevelopment of Newark Airport forged ahead steadily in 1970 with the structural shell of the first concrete and glass terminal nearing completion by year's end and the airlines preparing to start interior finishing.

within the existing airport boundaries.

Another plan announced called for a partial re-design of the airport roadway and parking system. The first step—expansion of metered parking and the rented car area—was completed. The second step will be construction of a new exit roadway to Grand Central Parkway. This will provide a new collector/distributor roadway paralleling the Parkway along much of the airport's length.

In addition, the area in front of the Central Terminal Building will be im-



proved to segregate patron loading and unloading by type of vehicle—commercial and private. This will involve a traffic signal system for foot-crossings, as well as additional frontage with a canopy to protect pedestrians. The canopy will remain in place until a planned parking structure is completed in Parking Lot 2.

Contracts were awarded at year's end for the strengthening of the two over-water extensions of the airport's runway system. These extensions will accommodate the wide-bodied jets expected to go into service at LaGuardia before the end of 1971, assuming that these aircraft can meet the Port Authority's Rules and Regulations including the noise limitations set forth in its Terms and Conditions for the Operation of Jet Aircraft at LaGuardia Airport.

Newark Airport

Newark Airport traffic declined in terms of both passengers and aircraft movements. The year's total of 6,460,489 passengers fell 9.4 per cent below 1969.

The Newark Airport Redevelopment Program moved ahead rapidly in 1970. The structural shell of the first

of the three new terminal buildings was nearing completion by year's end and the airlines were preparing to work on the interior. The shell of the second terminal building is to be completed by May 1971. Construction of the third terminal building began in 1970. The first two terminals will begin operation in 1972.

The new north/south Runway 4L-22R, stretching 8,200 feet, went into operation in February. The existing parallel Runway 4R-22L is being extended to the same length and its pavement strengthened. The bulk fuel storage tanks, with an aggregate capacity of 10.6 million gallons, along with the underground fuel distribution system, and the new Central Heating and Refrigeration Plant and its underground distribution system were also virtually completed.

Plans were completed for the erection of a new building near the Control Tower to house managerial staff, airport police and equipment. The airport's parking capacity was increased by approximately 1200 spaces. Within the Cargo Center, United Air Lines engaged in a \$2 million reconstruction and expansion of its terminal, to be ready in 1971.



Tunnels and Bridges

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

In 1925 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).

In 1931 the two States enacted the Bridge and Tunnel Unification Act 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.

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).

Traffic at the Port Authority's six tunnels and bridges totaled 148,281,000 vehicles in 1970, an increase of 3.2 per cent over 1969. The year was marked by the initiation of several significant improvements for the traveling public's increased comfort, convenience and safety. These were the time-saving exclusive bus lane on the New Jersey approach to the Lincoln Tunnel, (see picture on opposite page), the new system of one-way toll collection at all crossings, and the median barrier on the George Washington Bridge.

In 1970 the overall growth rate of traffic volume continued slowly to decline, as it has since the mid-1960s. This slowdown is explained in part by the widespread downturn of business, but the primary retarding factor lies in the increasingly frequent periods when the volumes of traffic desiring to use the tunnels and bridges exceed their capacity.

The Port Authority Hudson River crossings — the George Washington Bridge and the Holland and Lincoln Tunnels — and the connections between Staten Island and New Jersey — the Bayonne and Goethals Bridges and the Outerbridge Crossing — are all vital links in the total highway system of the metropolitan region.

The Goethals Bridge, with a 13.7 per cent rise in traffic volume, showed the greatest growth for 1970 of all the six interstate facilities. The Goethals Bridge is a prime link in the southern bypass route around Manhattan which was completed in 1964 with the opening of the Verrazano-Narrows Bridge by the Triborough Bridge and Tunnel Authority. Although the Goethals Bridge ranks fourth among the New Jersey-New York crossings in total traffic, its popularity has grown rapidly because it affords an excellent alternate route for the traffic that formerly had to go

on a long course across Manhattan.

In addition to normal growth, the Goethals Bridge also regained some traffic that had temporarily shifted to the Outerbridge Crossing, the most southerly bridge, during the construction of new connections between the Goethals Bridge and the two major north-south routes, U. S. Routes 1-9 and the New Jersey Turnpike. The widening of the New Jersey Turnpike early in 1970 drew even more traffic away from the Outerbridge Crossing.

In contrast with the Goethals Bridge, the Outerbridge Crossing showed a decline in traffic volume for 1970 of 4.9 per cent. It is anticipated, however, that when new connections to the Outerbridge Crossing, both in New Jersey and Staten Island, are completed in a few years, the facility will assume a greater share of the New Jersey-Staten Island-Brooklyn traffic. The volume at the Bayonne Bridge, the remaining Staten Island crossing, was low and is growing slowly. The 1970 growth at the Bayonne Bridge was 2 per cent.

At the Hudson River crossings, the greatest increase in traffic occurred at the George Washington Bridge. The increase was unusually low, 2.7 per cent, on this northern bypass route. The declining growth reflects the impact of growing congestion, especially on the Cross Bronx Expressway. The temporary effects of construction of the interchange connecting the Cross Bronx Expressway, the Bruckner Expressway and the Hutchinson River Parkway further tended to restrict the rate of growth.

Growing congestion also explains the low growth rates at the two tunnels, 1.2 per cent at the Holland Tunnel and 1.7 per cent at the Lincoln Tunnel.

The principal category of traffic — automobiles — was particularly affected by the growing tendency



toward congestion at the major crossings. This was evident from the greatly reduced growth rates during the summer, the normally very high volume months. Truck volumes, which are especially sensitive to variation in the demands of industry, dropped off significantly in 1970.

New Exclusive Bus Lane

Operation of a new exclusive bus lane on the New Jersey approach to the Lincoln Tunnel began on December 18, 1970. This brought a saving of up to 15 minutes travel time every workday morning for 35,000 bus commuters entering the Port Authority Bus Terminal. The smooth operation from the first day was the result of collaborative efforts of people in many Port Authority departments who worked in close cooperation with similar forces from the New Jersey Department of Transportation, the New Jersey Turnpike Authority, the Tri-State Transportation Commission and the United States Department of Transportation.

The 2.5 miles of the exclusive bus

Crossings (traffic in thousands)

	1970	1969
All Crossings		
Automobiles	127,931	123,251
Buses	3,723	3,767
Trucks	16,627	16,599
Total Vehicles	148,281	143,617
George Washington Bridge		
Automobiles	64,455	62,616
Buses	647	652
Trucks	6,040	6,015
Total Vehicles	71,142	69,283
Lincoln Tunnel		
Automobiles	24,818	24,232
Buses	2,883	2,914
Trucks	3,806	3,831
Total Vehicles	31,507	30,977
Holland Tunnel		
Automobiles	16,065	15,580
Buses	87	96
Trucks	3,959	4,194
Total Vehicles	20,111	19,870
Staten Island Bridges		
Automobiles	22,593	20,822
Buses	106	105
Trucks	2,821	2,560
Total Vehicles	25,520	23,487

lane, from the New Jersey Turnpike to the Lincoln Tunnel Plaza, is in the world's most heavily traveled bus corridor. The project was carried out under the general coordination of the Tri-State Transportation Commission with a \$500,000 Federal allocation. About 800 buses, during the morning peak period, travel on a normally westbound lane adjacent to the median barrier.

The concept of the exclusive bus lane was advanced by the Port Authority as long as seven years ago. But it was not until the middle of 1970, however, that the project, under the leadership of John C. Kohl, New Jersey Transportation Commissioner, in his capacity as Chairman of the Tri-State Transportation Commission, received the necessary concurrence and support of all the agencies involved.

One-Way Toll Collection

On August 12, 1970 the Port Authority joined with the New York State Thruway Authority and the New York State Bridge Authority in starting a one-way toll collection system on 12 Hudson River and interstate New York-New Jersey crossings.

This new procedure has speeded the flow of traffic and eased congestion. Operators of all vehicles now pay the toll on their eastbound trip, and thereby eliminate the need to stop to pay a toll on the westbound trip. The new collection system did not represent a change in existing rates, because surveys had demonstrated that virtually all vehicles using the 12 facilities made round trip crossings. In addition to providing greater comfort and convenience for the traveler, the procedure has improved the economy and efficiency of bridge and tunnel operations.

The region-wide system includes

all the 12 interstate and Hudson River crossings over a 130-mile distance, as follows: The George Washington Bridge, the Lincoln Tunnel, Holland Tunnel, Bayonne Bridge, Goethals Bridge and the Outerbridge Crossing, all operated by the Port Authority; the Tappan Zee Bridge, operated by the New York State Thruway Authority; and the Rip Van Winkle Bridge, Kingston - Rhinecliff Bridge, Mid-Hudson Bridge, Newburgh - Beacon Bridge and Bear Mountain Bridge, all operated by the New York State Bridge Authority.

GWB Median Barrier

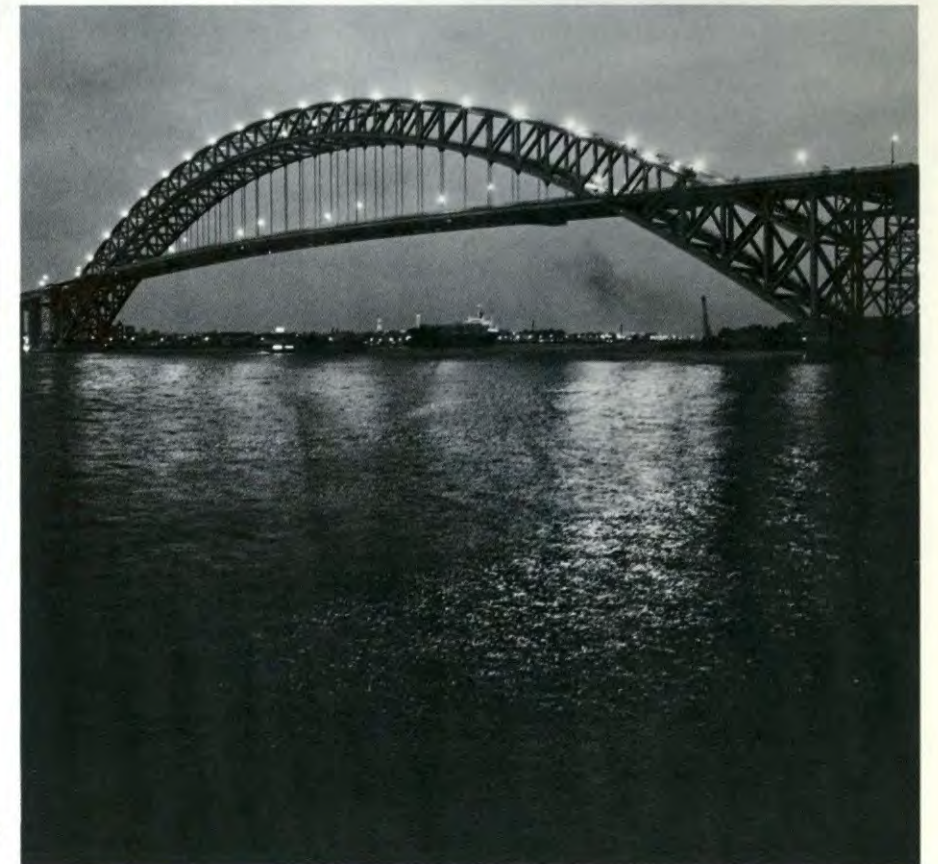
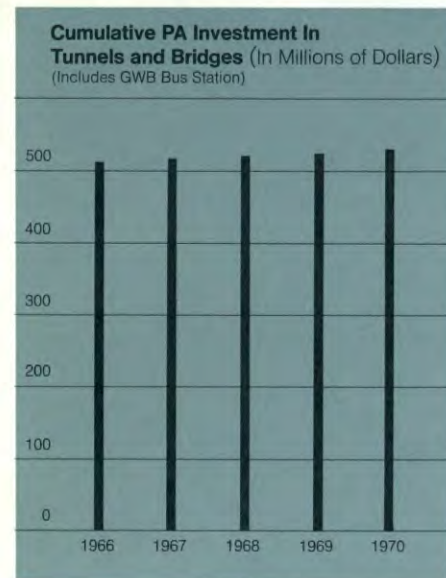
Work was completed in 1970 on the construction of a median barrier on the upper level roadway of the George Washington Bridge. The barrier, similar to that on New Jersey State highways, is constructed of steel on the suspended structure of the bridge and concrete on the New York and New Jersey approaches. Prior to construction, the upper level's three-two-three lane configuration was operated with five lanes in the predominant direction of traffic and three lanes in the opposite direction. The installation of the barrier on the center line of the bridge has resulted in a fixed operation of four traffic lanes in each direction.

Research

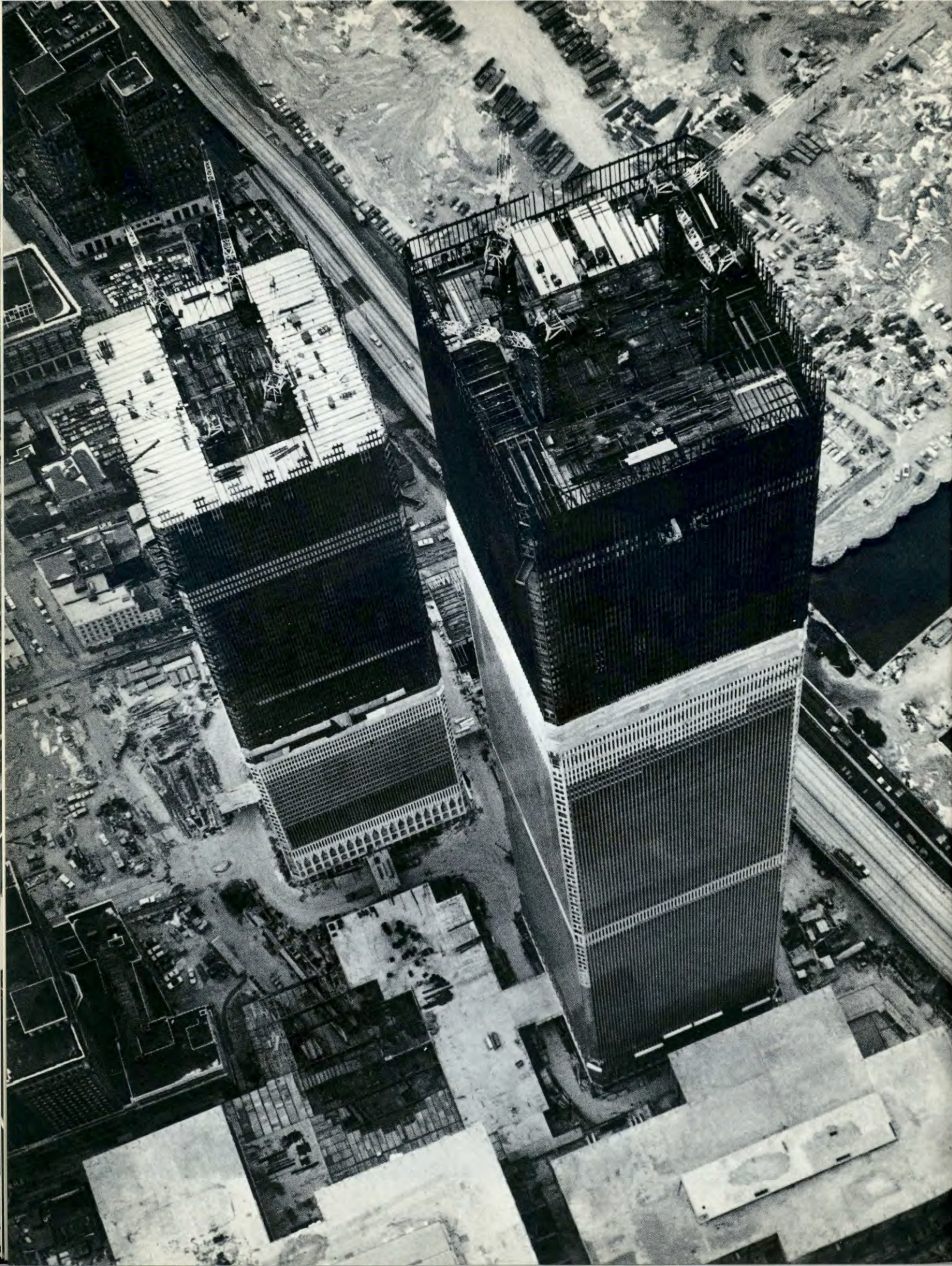
Research focus in 1970 continued on the application of on-line digital mini-computers to the operation of tunnels and bridges. Multi-computer systems were installed to provide surveillance and flow control functions and are used to improve the flow of traffic at both tunnels, thereby increasing their traffic-handling capability. Computer technology similar to the Traffic Control System is also being employed with the one-way toll system.

Concrete and steel median barrier was installed on upper level of George Washington Bridge in 1970.

The introduction of one-way tolls at Port Authority crossings and other Hudson River crossings eased congestion and expedited the flow of traffic.



New lighting on the Bayonne Bridge was turned on for the first time in November.



World Trade

The flow of international commerce through the New Jersey-New York Port is the foundation of the economy of the region, and the Port of New York 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).

In 1962, the two States directed the Port Authority to develop a new facility of commerce—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 entire project will be completed in 1973.

The World Trade Center

Initial occupancy of The World Trade Center in December 1970 marked the beginning of the Center's contribution to the expansion of international trade at the Port of New York and throughout the world. The first occupants were the vanguard of hundreds of world trade firms and organizations which will be housed in the new headquarters for America's international business.

Construction Progress

Construction of The World Trade Center, directed by the Legislatures of New York and New Jersey in 1962, made giant strides throughout 1970. By the end of the year, the 110-story North Tower Building was topped out, and the twin South Tower Building had reached the 72nd floor. The placing of structural steel was completed for the new United States Custom House and the Northeast Plaza Building. Foundation work for the Southeast Plaza Building had begun, and final design work was moving ahead rapidly for a World Trade Center hotel. In addition, the new Port Authority Trans-Hudson World Trade Center Terminal, an integral part of the Center, was rapidly approaching completion, looking toward the start of PATH operations from the new terminal in 1971 (See Page 11).

The entire World Trade Center is to be completed by late 1973.

Employment Opportunities

The project is generating extensive employment opportunities for the construction trades. At year's end, some 3,500 men were working on the World Trade Center site. Throughout 1970 the Port Authority continued its intensive efforts to increase the number of minority group workers

and to this end worked closely with contractors, unions, community organizations and governmental human relations agencies. Special efforts were made to increase minority representation at the craftsman's level. Also emphasized was the need for contractors to provide on-the-job training in a number of trades, so that greater job opportunities would be opened for minority workers. Most important, many minority group workers have been admitted to union membership following work assignments at the Center.

New Custom House

The Federal Government and the Port Authority signed a lease in June 1970, covering the occupancy by the Bureau of Customs of the new United States Custom House for the Port of New York at the northwest corner of the site. Customs operations now carried on at widely separated Manhattan locations will be concentrated in the nine-story Custom House, and thus better serve the international trade community. The Custom House contains 763,500 square feet of floor space.

In addition, hundreds of world trade firms and organizations, running the gamut of world trade activity, will be housed in the Center. They include exporters, importers, overseas manufacturers, foreign sales or export departments of U. S. manufacturers, freight forwarders and Customs brokers, international banks, overseas government trade agencies, steamship line agents and brokers, other transportation firms and a variety of trade service organizations. The concentration in the Center of these diverse international trade functions will create a single purpose business community which offers tremendous opportunities for efficient and more economical world trade



marketing, administrative processing and servicing.

The Post Office Department assigned the Zip Code 10048 to The World Trade Center. The addresses for the buildings within the complex are:

- One World Trade Center—North Tower Building
- Two World Trade Center—South Tower Building
- Three World Trade Center—Hotel
- Four World Trade Center—Southeast Plaza Building
- Five World Trade Center—Northeast Plaza Building
- Six World Trade Center—United States Custom House

Communications System

The special nature of The World Trade Center as a concentration of firms and organizations devoted to the expansion of international trade provides a unique opportunity to develop a world trade communications system to serve the tenants and other members of the international trade community. To this end, the Port Authority selected a team of specialists to provide data processing service on a time-sharing basis, modern communications equipment, storage and retrieval systems, as well as special television facilities. The World Trade Information Center, to be tied in to this overall integrated communications system, will put international businessmen in direct contact with experts in a wide variety of foreign trade activities, utilizing a newly developed Interfile System. This system, which identifies the best sources of data on world trade for individual inquiries, is being developed in cooperation with participating trade centers throughout the world. The information resources available in their respective regions will be fed into the Interfile System, thus offering one-



Lease for the new Custom House was signed in June by Executive Director Austin J. Tobin (left); Arthur Sampson, U.S. Commissioner of Public Building Services (center); Myles Ambrose, Commissioner of Customs; and Eugene T. Rossides, Assistant Secretary of the Treasury (standing).

step access to the finest reservoir of world trade information available. The Interfile System represents one part of the overall cooperative efforts being undertaken by various trade centers through the World Trade Centers Association which was founded in 1968.

World Trade Institute

In keeping with its objective of international trade expansion, The World Trade Center, through its World Trade Institute, will offer a variety of newly developed and innovative training courses and education programs for tenants of the Center and for other firms in the field of international business. In addition, the Institute will sponsor meetings and conferences and issue publications designed to meet the needs of international trade communities. Specific curriculum needs are now being formulated to carry out a program which includes technical courses and senior and middle management programs. Other Institute activities car-

ried on during the year include the formulation of plans for a world business forum to conduct international trade conferences, seminars and symposiums, as well as the development of plans for an International Trade Library.

Protecting and Promoting the Port's Commerce

Under the responsibility imposed by the Port Compact to protect and promote the flow of commerce through the Port of New York, the Port Authority continually participates in proceedings before Federal Government regulatory agencies. The advancement of the Port's trade is carried on by a network of Trade Development Offices in New York, Washington, Cleveland, Pittsburgh, Chicago, London, Zurich, San Juan and Tokyo.

To protect the flow of commerce, the Port Authority has the constant duty to be on watch and to take appropriate action whenever necessary on behalf of the people of the Port

District, whose wellbeing and prosperity are intimately tied to the Port's continuing progress. For this fundamental reason, the staff analyzes any proposed change in freight rates which could have a potential impact on Port commerce. Shipping practices and charges must remain competitive with those of rival ports. Every projected change requires exhaustive study of its economic effect on the Port. As the needs develop for protective action, the Port Authority is a staunch contender before governmental agencies in the maintenance of fair and competitive relationships to preserve the Port's position.

During 1970, a year of rising freight rates, the Port Authority appeared repeatedly before the Interstate Commerce Commission to uphold the continued maintenance of competitive relationships between New York and other United States ports. Twice during the past year, following organized efforts, the ICC admonished the railroads that they must treat all ports equally. The Port Authority participated in the proceedings to ensure that any increases granted the carriers would not adversely affect the competitive position of the Port of New York by disrupting established rate relationships between the various ports.

South Florida Ports Rate Case

In 1970 the Interstate Commerce Commission affirmed the action of its Examiner who had recommended the dismissal of a case involving an attempt by South Florida Ports to obtain lower inland rates for export/import commodities moving to and from the Midwest. This prevented the South Florida Ports from gaining an undue advantage in competing for traffic between inland points in the

industrial Midwest and points in the Caribbean area.

General Freight Rate Increases

Early in 1970, the Port Authority was successful in having the Interstate Commerce Commission admonish rail carriers to maintain existing port differentials when they applied for general freight rate increases of 6 per cent. The Port Authority did not protest the increase, but sought only to assure that the Port would not suffer from discrimination caused by a change in historical port rate differentials.

Later in the year, when the railroads filed for freight rate increases of 15 per cent in the East and West and 6 per cent in the South, the Port Authority immediately protested the action because this would have distorted Port relationships much more and greatly favored the Gulf and South Atlantic ports. This time, the ICC required that the railroads maintain existing Port relationships. This was the first time that the Commission specifically used language requiring the railroads to maintain the relationships. Since this is an interim action, the matter is still pending.

In 1970 the Interstate Commerce Commission denied a request by railroads to have Port charges increased by 4 cents per 100 pounds at all ports other than Gulf or South Atlantic Ports. The Port Authority had been successful the previous year in having this increase suspended and an investigation was carried out to determine the potential effect on United States cargo routing patterns. While the ICC denied the request of the carriers, the decision is currently being appealed.

Commercial Exempt Zone Extended

Because the Interstate Commerce

Commission does not regulate the rates charged by motor carriers for service within the Commercial Exempt Zone, it is advantageous to firms located in the area to have their transportation facilities within the defined Zone. The growth of containerization has made it increasingly important that railroads serving the Port District have their trailer-on-flat-car facilities within the Zone. In 1970 the Port Authority actively supported the petitions of the Lehigh Valley and Reading Railroads to have the ICC redefine the limits of the New York Commercial Exempt Zone to include the trailer-on-flat-car facilities of these carriers. These were the only two railroads with their installations outside the Zone and this acted as a deterrent in their competition with other rail carriers for container traffic. The ICC granted the application.

Rail Carriers Seek to Eliminate Lighterage Services

The Baltimore and Ohio and the Central Railroad of New Jersey filed tariffs with the Interstate Commerce Commission which provided for the cancellation of their lighterage service in New York Harbor. The elimination of lighterage would be extremely detrimental to steamship lines whose operations are located in Manhattan, Brooklyn, and Staten Island because they depend almost entirely upon lighterage for their shipments of rail cargo. The Port Authority was joined by a number of steamship lines, civic associations and shipper groups in protesting the action. As a result, the ICC has suspended the tariffs. This means that the two railroads must continue to provide lighterage service pending a decision by the ICC. Hearings on this important issue are scheduled to begin in the spring of 1971.

Promotion During the Year

The economic impact of international trade on the Port District community imperatively requires that the Port Authority not only protect the commerce of the Port but also actively promote it. The major responsibility of the promotional activity falls upon the Port Authority's nine Trade Development Offices located in important business and cargo-generating centers in the United States and overseas. In 1970 the staff of these offices traveled 296,941 miles to make 8,287 calls on shippers in 32 states and 42 foreign countries. With this individualized approach on a person-to-person basis, the Trade Development Offices have been successful in making known the advantages of shipping goods through the Port. In 1970 a new film titled *Portrait of a Port* was released to make the shipping public aware of the vast array of services, port terminal and transportation facilities available to the international trading community. The film was made in six languages—English, French, Italian, German, Spanish and Japanese—and was warmly received. The year also saw the Port Commerce magazine, *Via Port of New York*, devote a special issue to the impact of new technology on the transportation industry. Another issue on the use of computers in international trade and transportation was applauded by numerous organizations involved in world commerce. The Port Authority also carries on an advertising program on behalf of the Port in trade publications in this country and abroad. The American Association of Port Authorities honored the Port Authority for its general excellence in advertising throughout the year in presenting the Port's advantages.



Flag-bedecked steel beam rises through swirling mist to top out the North Tower Building in December. The first tenants already were settled in their new quarters on the lower floors.

Proceedings Before the Federal Maritime Commission

Subject Joint Agreement No. 8200 Far East Conference and Pacific Westbound Conference. The Port Authority opposed agreement which could have diverted cargo from New York to West Coast ports. Requested that rates be limited in application. (FMC 872)

Status Agreement found justified except for supplement covering overland rates. Carriers required to cease and desist until supplemental agreement was filed and approved by FMC. Carriers appealed FMC decision and Court hearings held. Pending.

Subject Investigation of truck and lighter unloading charges at steamship piers in the Port of New York. The Port Authority opposed tariff which would have included charges for loading and unloading lighterage cargo and the direct transfer of cargo from ship to truck. (FMC 1153)

Status FMC rule covering detention of vehicles at steamship piers issued. Concluded.

Subject Investigation by FMC of overland common points and overland rates via Pacific Coast Ports. The Port Authority requested FMC to investigate application of OCP rates to cargo that would normally flow through North Atlantic ports. (FMC 65-31) and (FMC 66-61)

Status A U. S. District Court upheld the FMC decision adverse to Port Authority position. Question appealed to U. S. Supreme Court. Pending.

Subject Complaint by Empire State Highway Transportation Association against surcharge published by New York Terminal Conference and investigation of surcharge on truck loading and unloading. The Port Authority intervened to assure that level of surcharge would not be detrimental to the commerce of the Port. (FMC 65-39) and (FMC 65-46)

Status Oral argument concluded. Pending.

Subject FMC considering rule to establish free time on export cargo at New York and Philadelphia. The Port Authority intervened to assure fair and equitable rules and charges. (FMC 68-9)

Status* Free time of ten days with exceptions authorized. Concluded.

Subject Investigation by the FMC of the procedure followed in handling of truck freight at piers in the Port of New York. The Port Authority intervened to be assured that an equitable detention rule be established at the Port of New York. (FMC 69-28)

Status Pre-hearing conference held. Pending.

Subject New York Shipping Association modified agreement covering formula for assessing charges to cover ILA fringe benefits. The Port Authority opposed the agreement, which would have meant higher shipping costs to the Port of New York. (FMC 69-57)

Status Hearings held. Pending.

Subject Container lines operating in trans-Atlantic trade filed agreement setting up new conference. The Port Authority intervened to protect competitive position of Port of New York (FMC 69-58)

Status Pre-hearing conference held. Pending.

Subject FMC instituted investigation to determine whether rates maintained by certain carriers operating in the U. S. Atlantic/Puerto Rico trade are just and reasonable. The Port Authority has intervened to protect competitive relationship of New York versus Florida ports. (FMC 70-6)

Status Pending.

Subject Investigation by FMC to determine whether absorption by Sea-Land of motor carrier charges instead of providing direct water service to Portland, Oregon violates the Shipping Act of 1916. The Port Authority intervened to prevent establishment of a principle of law detrimental to competitive position of the Port. (FMC 70-19)

Status Pending.

*Action to date is generally in accordance with the position supported by the Port Authority.

Proceedings Before the Civil Aeronautics Board

Subject Review of air routes to and from Omaha and Des Moines. The Port Authority opposes designation of a specific airport at New York/Newark for any service authorized to and from Omaha and Des Moines. Docket 1840

Status* CAB did not designate specific airport. Pending.

Subject Investigation of the need for and feasibility of V/STOL air service in the Northeast Corridor. The Port Authority suggested establishment of a national V/STOL development program. Docket 19078

Status Phase I concluded. CAB decided V/STOL air service is needed and feasible. Proceeding will now move to Phase II dealing primarily with designation of a carrier or carriers to provide the service.

Subject Review of United States flag air service between Europe and several United States points, including Hartford, Connecticut. New York was specifically excluded as a terminus or gateway for the proposed new services because of congestion at Port District airports. The CAB is considering Hartford because it believes some people now originating at New York may find it convenient to enplane at Hartford instead. The Port Authority has petitioned for permission to participate in this proceeding. Docket 19255

Status The first procedural stage, a prehearing conference, has not yet been scheduled. Pending.

Subject Investigation of air service needs between the Port District and Norfolk. The Port Authority supported authorization of competitive nonstop service. Docket 20838

Status* CAB awarded authorization sought by Port Authority. Concluded.

Subject Expedited proceeding to determine if Pan American World Airways should be authorized to provide nonstop air service to Fairbanks, Alaska on its through flights between the Port District and Tokyo. Port Authority supported authorization. Docket 21344

Status* Authorization granted. Concluded.

Subject Investigation of desirability of liberalizing long-standing limitation of 12,500 pounds maximum weight for air taxi aircraft. Air taxis, whether they are scheduled or demand, do not require CAB certification. The Port Authority is participating as the interest of the Port District may appear. Docket 21761

Status Hearings concluded.

Subject Consideration of merger agreement of Northwest Airlines and Northeast Airlines. The Port Authority does not oppose the agreement, since its consummation will not impair Port District air service. However, the Port Authority is participating in the case in order that it may advance its views if additional merger agreements are proposed which, when combined with cases now before the Board, (see following docket) would adversely affect Port District commerce. Docket 21819

Status CAB has approved with conditions. Northwest Airlines has appealed the conditions.

Subject Consideration of merger agreement of American Airlines and Trans Caribbean Airways. The Port Authority does not oppose the agreement, but is participating in the case for same reason in docket above. Docket 21828

Status CAB has approved.

Proceedings Before the Interstate Commerce Commission

Subject Application of Norfolk & Western and Chesapeake & Ohio to merge and include in their system five Eastern railroads—Erie Lackawanna, Delaware & Hudson, Boston & Maine, Reading and Central Railroad of New Jersey. The Port Authority conditionally opposed merger which would have reduced the number of competitive rail systems to two in number. Withdrew opposition provided the CNJ and Erie Lackawanna were included in the system. (Fin. 23822 & 23823)

Status Examiner issued a recommended report which approved the merger. Exceptions filed. Oral arguments held. Pending.

Subject Complaint of South Florida Ports to establish same level of rates as in effect to and from Gulf and South Atlantic Ports. The Port Authority opposed reduced inland rates which would have given South Florida ports a competitive advantage because of existing lower ocean rates. (ICC 34894)

Status* Commission denied complaint and cancelled proceeding. Concluded.

Subject Central Railroad of New Jersey filed petition for inclusion in C&O/B&O system. The Port Authority filed in support of CNJ (reopening of Fin. 23178)

Status Pre-hearing conference held. Pending.

Subject Application by True Transport, Inc. to obtain operating rights to transport marine containers between New York Commercial Zone and points in Middle Atlantic States and New England. (MCC-133565)

Status Port Authority supported application. Hearings concluded. Pending.

Subject Increased waterborne charge. U. S. railroads published an increase of 4 cents per 100 pounds on waterborne shipments at all ports except South Atlantic, South Florida and Gulf Ports. The Port Authority protested that port relationships would be distorted by the increase. (I&S 8508)

Status* Commission found increase not justified and ordered cancellation. Railroads appealed for rehearing. Pending.

Subject Railroads filed for two successive increases in freight charges of 6 per cent. The Port Authority protested that increases would distort historical port relationships. (Ex parte 262) and (Ex parte 265)

Status* Commission approved increase but admonished carriers to restore port relationships. Concluded.

Subject Railroads filed for 15 per cent increase in the East and West and 6 per cent increase in the South. The Port Authority protested that increases would distort historical port relations. (Ex parte 267)

Status* The Commission required railroads to protect and maintain existing port relationships. Interim increase of 8 per cent and 6 per cent granted in East and South respectively. Pending.

Subject CNJ and B&O Railroads filed tariffs discontinuing lighterage service in New York Harbor. The Port Authority protested the discontinuance of lighterage would be tantamount to abandonment of a service and would discriminate against shippers on the New York side of the harbor. (I&S 8593)

Status* Tariffs suspended as a result of Port Authority petition. Hearings scheduled. Pending.

Subject Lehigh Valley and Reading Company petitioned for redefinition of New York Commercial Exempt Zone to include TOFC/COFC Yards. (MC-C-2), (MC-37)

Status* Port Authority filed a statement supporting the petition. Commission redefined Commercial Exempt Zone to include Lehigh Valley and Reading Yards. Concluded.

Administration



James C. Kellogg, III
Chairman



Hoyt Ammidon
Vice Chairman



W. Paul Stillman



Charles W. Engelhard



William J. Ronan



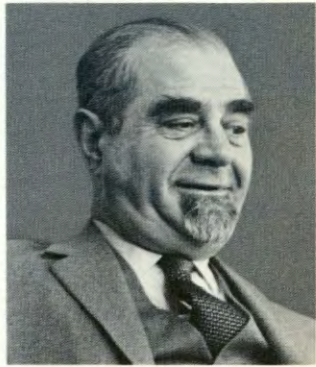
William A. Sternkopf, Jr.



Walter Henry Jones



Bernard J. Lasker



Sidney S. Hein



Gustave L. Levy



James G. Hellmuth



Andrew C. Axtell



Austin J. Tobin
Executive Director

The Port of New York Authority was created on April 30, 1921 by Compact between the States of New York and New Jersey 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.

Leaders in business, finance, law and public affairs, the members of

the Board of Commissioners are:

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 Hoyt Ammidon of New York is Chairman of the Board and Chief Executive Officer of the United States Trust Company of New York.

Andrew C. Axtell of New Jersey is Chairman of the Board of the Essex Welding Equipment Company.

Charles W. Engelhard of New Jersey is Chairman of Engelhard Minerals and Chemicals Corporation.

Sidney S. Hein of New York is the senior member of the law firm of Hein, Bradie, Waters and Klein.

James G. Hellmuth of New York is a Vice President of Morgan Guaranty Trust Company of New York.

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

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

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

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

William A. Sternkopf, Jr. of New Jersey is the senior partner in the accounting firm of William A. Sternkopf and Company.

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.

The year was saddened by the deaths of Vice Chairman Ben Regan on March 14, 1970 and Commissioner Alexander Halpern on March 20, 1970.

Vice Chairman Regan had presided at the Board of Commissioners meeting only two days before his death, handling a long and important agenda with his usual skill and geniality. He was distinguished for his wide involvement in banking, business, philanthropic, educational and civic activities. Commissioner Regan

was first appointed to the Board in 1963 by Governor Nelson A. Rockefeller, who named him again in 1967 for the term expiring in 1973. He was elected Vice Chairman in April 1969.

Commissioner Halpern was first appointed to the Board in 1960 by Governor Rockefeller, who reappointed him in 1966 for the term that would have extended to 1972. He was Chairman of the Port Planning Committee and also served on the Construction Committee. In his Port Authority service and private career, Commissioner Halpern had a special interest in environmental matters. He was for many years a partner in the law firm of Pross, Halpern, LeFevre, Raphael and Alter, and was active in many philanthropic organizations.

At the Board's annual meeting, April 9, 1970, Commissioner Kellogg was re-elected to his third term as Chairman. Commissioner Ammidon was elected Vice Chairman.

Chairman Kellogg was first appointed to the Port Authority Board by Governor Robert B. Meyner in 1955, reappointed by Governor Meyner in 1960 and by Governor Richard J. Hughes in 1966. He became Vice Chairman of the Board in 1960, and was first elected Chairman at the Board's annual meeting in 1968.

Vice Chairman Ammidon was appointed to the Board by Governor Rockefeller in December 1968, upon the retirement of Chairman S. Sloan Colt, for the term to 1974. He is Chairman of the Operations Committee, and also serves on the Finance Committee.

In April 1970 the New York State Senate confirmed Governor Rockefeller's appointments to the Board of James G. Hellmuth and Gustave L. Levy. Commissioner Hellmuth, a Vice President of the Morgan Guaranty Trust Company of New York, succeeded to the unexpired term of the

late Vice Chairman Regan, which runs to 1973. Commissioner Levy, a partner of Goldman, Sachs and Company, succeeded to the unexpired term of the late Commissioner Halpern, which runs to 1972.

In June 1970 the New Jersey State Senate confirmed Governor William T. Cahill's appointment to the Board of Andrew C. Axtell in place of Commissioner John J. Clancy, whose term expired at the end of the month. Commissioner Axtell is Chairman of the Board of the Essex Welding Equipment Company. He is a former Mayor of Livingston and former Chairman of the Essex County Republican Committee.

Early in January 1971 Governor Rockefeller reappointed Commissioner Bernard J. Lasker with the consent of the State Senate, to a six-year term to 1976. Commissioner Lasker was first named to the Board in 1969, to fill the unexpired term of Commissioner Joseph A. Martino, who had resigned in 1968.

The Board of Commissioners is organized into four permanent committees, as follows: Committee on Port Planning, William J. Ronan, Chairman, and Walter Henry Jones, Vice Chairman; Committee on Operations, Hoyt Ammidon, Chairman, and William A. Sternkopf, Jr., Vice Chairman; Committee on Finance, W. Paul Stillman, Chairman, and Bernard J. Lasker, Vice Chairman; Committee on Construction, Charles W. Engelhard, Chairman, and Sidney S. Hein, Vice Chairman.

These committees originate and review policies and projects according to their special functions, and either take action themselves or, where appropriate, make recommendations to the Board.

Austin J. Tobin, the Port Authority's Executive Director, carries out the policies and programs authorized by

the Board. Mr. Tobin was again elected to his post at the Board's annual meeting. The Deputy Executive Director, Matthias E. Lukens, assists Mr. Tobin in implementing the Board's policies and programs.

The Port Authority is represented in all legal matters by the General Counsel, Sidney Goldstein. The General Counsel is legal advisor to the Board of Commissioners, the Executive Director and the Staff. Mr. Goldstein was re-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 of the Authority's other official documents.

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 Engineering, Finance, General Services, Law, Operations Services, Organization and Procedures, Personnel, Planning and Development, Public Affairs, and Real Estate.

As this report was in the final stages of preparation, the Board of Commissioners and Staff were shocked and grieved by the death of Commissioner Charles W. Engelhard on March 2, 1971 at the age of 54.

An active and valued member of the Board since 1960, and a warm friend of all of us, his outstanding qualities of guidance will be sorely missed in the Port Authority.

Staff

The Port Authority employs over 8,000 men and women in a broad range of positions. Artists, lawyers, engineers, accountants, draftsmen, librarians, buyers, management analysts, computer programmers, economists, traffic specialists, helicopter pilots, policemen and secretaries, among others, all contribute their particular talents to the effective operation of public transportation and terminal facilities in the Port District. The Port Authority seeks out the best concepts and techniques available in industry and government in all areas of work, or develops its own.

Staff Development

Employees constitute the most important resource of a public service agency. Changing demands placed on the Port Authority require the prompt response of dynamic and flexible staff members who are continually re-evaluating their readiness to meet these demands.

Formalized training is, of course, a basic method by which the Port Authority is able to contribute effectively in meeting new conditions. Previous programs which proved successful in 1969 were continued in 1970. A series of management seminars were offered to facilitate the development of individual skills and to aid managers who wished to incorporate these skills into their divisions or departments. A patron relations training program was conducted for Port Authority field employees to emphasize the importance of courteous service to the traveling public. The expansion of the labor relations training program for supervisory staff has necessitated the preparation of a larger number of managers as instructors, thus broadening the base of those exposed to the program.

As organizational demands emerge, new courses are designed

to meet them. A computer utilization seminar was initiated in order to prepare the staff for the increasing role of the computer. It is also expected that, as a result of these same seminars, managers will develop a better understanding of the possibilities and rationale for implementing accounting and management systems. A personnel training program for engineers was developed to increase their exposure to management concepts and to sharpen their human relations skills, important areas often underplayed in the technical disciplines.

Most of these training and development programs are administered directly by the Port Authority staff. However, employees are encouraged to further their own development in university and professional programs through the Port Authority's tuition refund plan, which last year assisted 910 members of the staff to obtain undergraduate degrees.

The Mobility Program

The Mobility Program, initiated in 1966 and aimed at maintaining and increasing the Port Authority's reserve of well-rounded and experienced managers and administrators, has become the Port Authority's most far-reaching training and development program for professional and managerial staff.

In 1970 several Port Authority employees who had accepted temporary assignments in management positions with the Office of Public Safety in Washington, D. C., the U. S. Department of Transportation, and the municipal governments of New York City and Yonkers, returned to the Port Authority and were placed in positions of increased responsibility. In addition, two individuals began a mobility assignment with the Greater London Council while others broadened their background in mobility as-

signments with the New York Urban Coalition, the American Society for Public Administration, the British Airports Authority and the Hackensack Meadowlands Development Commission.

In 1970 the Directorships of Terminals, Purchase and Administrative Services, and Organization and Procedures were temporarily filled by executives from other departments. This expansion of the Mobility Program, begun in 1969 to include Department Directors, has proved to be one of the most fruitful extensions.

Equal Opportunity

For many years the Port Authority has firmly maintained an active policy to hire and promote employees without regard to race, color, creed, sex or national origin. The Equal Opportunity Programs Unit was established in 1969 to assure the proper implementation of this policy. Subsequently, those portions of the program designed to promote contract compliance and opportunities for minority participation in all aspects of the Port Authority's business were separated out of the original unit and made answerable to the Executive Director's Office. Programs designed to improve opportunities within the Port Authority for minorities and to assist staff in their implementation were retained within the Personnel Department.

Several new efforts were made this past year to increase the number of minority applicants employed in the Summer Intern Program for college students. During the summer of 1970 a total of 34 minority college students worked on projects and performed responsible junior management tasks in headquarters departments as well as operational field facilities.

The Port Authority's summer Youth Work Program, providing summer



Vice Chairman Hoyt Ammidon presented the Medal of Honor, the Port Authority's highest decoration for valor, to Police Sergeant Charles E. Newman at annual Medal Awards ceremony in November.

Port Authority staff of 8,000 requires a wide variety of job skills in serving the public.



employment for high school and college students under the age of 22 who live in economically depressed areas, also continued to thrive. The program was set up with the cooperation of the National Alliance of Businessmen, the Urban Coalition, Coalition JOBS, and local community agencies. Two counselor-trainees helped youngsters with work and personal problems and assisted supervisors in understanding special situations. Various after-hours training programs were available for those who were interested. In many cases, the students continued their work into the school year, working after class for a few afternoons each week.

A Black Executive Exchange Program was also started during 1970. The project, sponsored by the National Urban League, provides a "floating faculty" of black executives who serve at black colleges as lecturers in semester-long courses which students take for credit. The course is taught by a different executive from a different company each week. Thus far, the Authority has sent two of its staff members to participate in courses given at Southern University and Grambling College.

Public Service Careers Program

The Public Service Careers Program is a manpower program administered by the U. S. Department of Labor, designed to develop employment opportunities for the disadvantaged and

to stimulate upgrading of current employees. Under this 21-month Federally funded project which was begun in 1970, the Port Authority agreed to hire and train 63 entry-level employees and to provide skills training for 63 current employees to assist them in qualifying for higher level positions.

This program provides the Port Authority with the opportunity to continue its efforts in dealing with urban problems in the Port District, and will enable the Port Authority to obtain additional candidates for entrance level positions and assist underskilled employees to assume positions at higher levels.

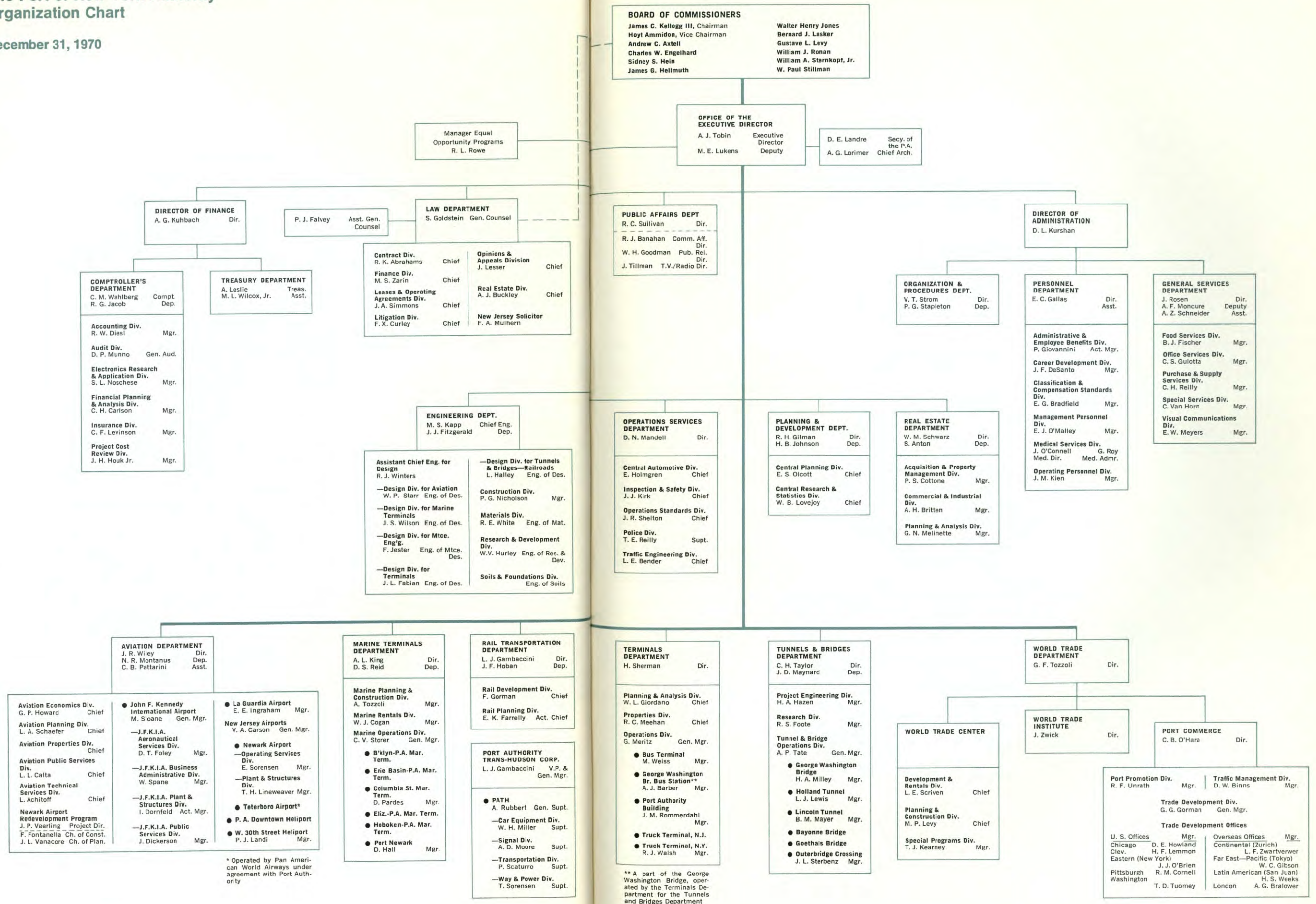
Recognition of Service

The Port Authority has enjoyed a steady increase in the ranks of its long-term employees. Each year since 1952, employees who have attained 25 years of service with the organization are welcomed into the Port Service Club. In 1970, the club added 41 members, bringing its active membership to 423.

The Port Authority also singles out on a yearly basis, those employees whose outstanding and selfless accomplishments reflect the organization's tradition of exemplary service. Thirty-five staff members were cited at the Annual Awards Ceremony, and 17 more were honored later in the year for their part in planning and implementing the exclusive bus lane on the New Jersey approach to the Lincoln Tunnel.

The Port of New York Authority Organization Chart

December 31, 1970



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 terminals, and transportation facilities 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 per cent of the total par value of the Authority's outstanding General and Refunding, Air Terminal, Marine Terminal and

Consolidated Bonds.

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

The 1962 statutes adopted by the Legislatures of the two States, which authorized Port Authority acquisition of the inter-state Hudson and Manhattan Railroad, specifically recognized and met the fundamental need of protecting the credit of the Port Authority to insure that it could continue its self-supporting programs so vital to the economy of the two States in accordance with the directives of the two Legislatures. The Legislatures recognized that the credit of the Port Authority would be impaired if the Authority undertook responsibility for the operation of such a perpetual deficit facility, unless the States entered into a con-

tract with the Authority bondholders which gave assurance that additional deficit financing of future railroad projects would be undertaken only within specific financial limits.

The legislation includes statutory covenants setting forth a number of prospective limits. The principal limitations provide that the Port Authority may not use funds for any additional passenger railroad purpose, unless it determines that the new railroad facility to be authorized is self-supporting, or, if it is not self-supporting, that the estimated average annual deficits from the proposed additional facility and any existing Port Authority railroad facilities (such as PATH) would not, in total, exceed ten per cent of the General Reserve Fund at the end of the previous year.

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 billion dollars of Port Authority obligations have been purchased by investors.

Combined Operations in Brief

Gross operating revenues of The Port of New York Authority for the year 1970 totaled \$255,318,000, an increase of 5.2 per cent. This rise reflects the continuing increase in development and utilization of the Authority's facilities. At the same time, operating, administrative and development expenses increased about 8.0 per cent to reach \$144,988,000. As a result, net operating revenues before provision for debt service and reserves were up about 1.7 per cent to a total of \$110,330,000.

Investment income on securities held in the reserve and operating

funds totaled \$16,067,000. This was supplemented by an upward adjustment of \$11,184,000 in the value of the Authority's security portfolio, reflecting the improvement in the Government Bond market. Thus net revenues available for debt service and reserves were \$137,581,000.

Interest totaled \$26,352,000 and long-term bonded debt amortization amounted to \$27,321,000. In addition, a \$35,000,000 principal payment was made to reduce the bank loan outstanding, in accordance with the agreement with the banks, and \$4,218,000 par value of General and Refunding, Air Terminal and Marine Terminal Bonds were retired in anticipation of future years' debt service at an amortized cost of \$3,704,000. Total debt service charged to revenues and reserves during the year, therefore, was \$92,377,000.

At year-end 1970 the General Reserve Fund balance amounted to \$127,069,000 and continued to meet the statutory requirement of ten per cent of outstanding bonded debt. The Consolidated Bond Reserve Fund for the first time had a balance, after application of \$11,000,000 to investment in facilities, of \$2,681,000 at December 31, 1970. This resulted from limiting the increase of the Special, Air Terminal and Marine Terminal Reserve Funds by placing these funds in trust, as explained in detail under the heading "Reserve Funds" on Page 51. Total reserves, including reserves in trust at year-end, were \$186,041,000 which exceeded the next two years' debt service on bonded debt. The total debt service for the Authority for the years 1971 and 1972, including scheduled payments on bank loans, amounts to \$246,700,000.

The Authority's financial affairs are administered by A. Gerdes Kuhbach,

Director of Finance; Alexander Leslie, Treasurer; and Carl M. Wahlberg, Comptroller.

Highlights

	1970	1969
Gross Operating Revenues	\$ 255,300,000	\$ 242,800,000
Net Operating Revenues	110,300,000	108,500,000
Debt Service Charged to Revenues and Reserves	92,377,000	101,870,000
Cumulative Invested in Facilities	2,398,500,000	2,098,200,000
Bonded Debt Outstanding	1,270,700,000	1,202,600,000
General Reserve Fund	127,100,000	120,300,000
Consolidated Bond Reserve Fund	2,700,000	-0-
Special Reserve Funds (in trust at 12-31-70)	56,300,000	31,600,000

Financial Position At Year-End

On December 31, 1970, the total assets of the Authority were \$2,918,384,000, represented by the cumulative amount invested in facilities and balances in construction, operating and reserve funds. This is an increase of 8.5 per cent, or \$227,745,000 over last year.

The amount invested in facilities of the Port Authority rose by \$300,306,000, including interest during construction of \$33,272,000 on bonded debt and bank loans, to a cumulative total of \$2,398,502,000 at year-end 1970. This increase is largely represented by additional investment at:

The World Trade Center	\$161,200,000
Newark Airport	47,600,000
John F. Kennedy International Airport	46,600,000
Port Newark	14,300,000
Port Authority Trans-Hudson Railroad	11,700,000
Elizabeth-Port Authority Marine Terminal	9,700,000

Bonded debt increased during the year by \$68,046,000 to a total of \$1,270,691,000. This was the net result of the issuance of Consolidated Bonds and Notes in the total amount of \$225,000,000, the retirement of \$31,954,000 debt through income and reserves, and the refunding of notes in the amount of \$125,000,000.

At year-end, reserve funds and debt retired through income totaled \$1,328,081,000, which is about 55 per cent of the amount invested in facilities.

Reserve Funds

At year-end 1970, the General Reserve Fund balance rose to \$127,069,000 and continued to meet the statutory requirements of ten per cent of outstanding bonded debt; concurrently, the Consolidated Bond Reserve Fund totaled \$2,681,000. These balances, together with other reserve fund balances in trust totaling \$56,291,000 (see below), in the aggregate 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 and 1970).

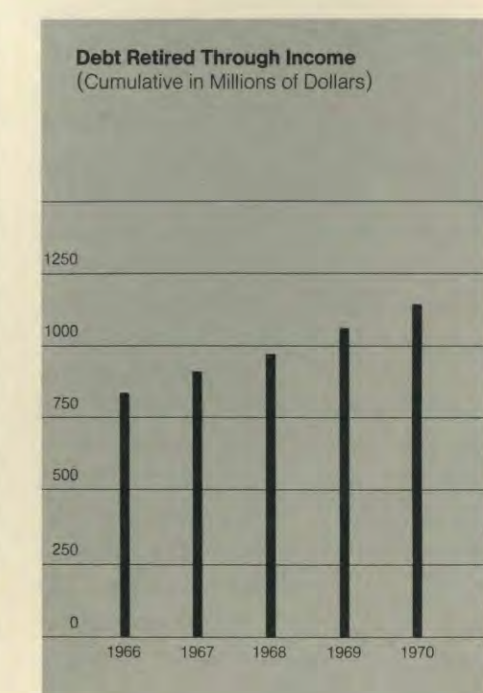
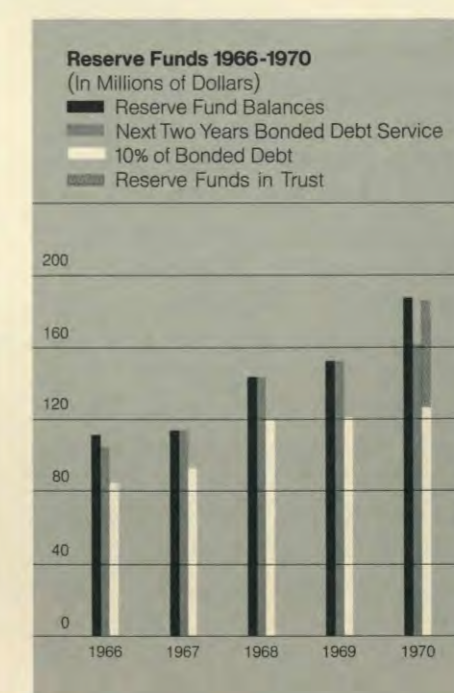
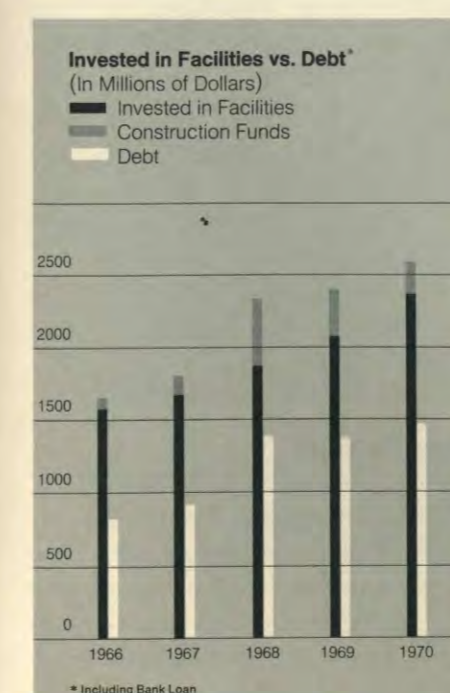
Bond covenants require that reserve funds be maintained in cash or invested in certain government securities. Thus, at year-end, \$184,181,000 was invested in securities as set forth in Statement B "Financial Position." Income from the reserve fund investment portfolio during 1970 totaled \$12,956,000.

The policy of adjusting the value of United States securities held in the portfolio at year-end to the lower of aggregate market value or aggregate amortized cost resulted in an upward adjustment in reserve funds of \$9,777,000.

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 61. 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 sched-



uled 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 1¼% to 3% per annum. 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 prescribed 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 and 1970.

Financial Income

The long-term investment portfolio averaged about \$192,458,000, principally reserve funds, and was invested primarily in securities of or guaranteed by the United States Government. Long-term investment earnings amounted to \$14,119,000 or an annual rate of about 7.34 per cent.

Investment in short-term government securities and bank time deposits averaged approximately \$345,325,000 during the year. The short-term portfolio represented principally the investment of construction funds awaiting disbursement and operating revenues. Income from these short-term investments was \$25,969,000 or an annual earning rate of about 7.52 per cent.

Investment income distributed to operating funds amounted to \$3,111,000 (including \$29,000 miscellaneous income) and \$12,956,000 was distributed to reserve funds. The balance, \$24,050,000, was allocated to capital funds, thereby reducing costs during the construction period.

Financing

Debt Issued

The Authority's bonded debt at year-end was \$1,270,691,000, a net increase of \$68,046,000 from last year.

On March 31, 1970, \$75,000,000 Consolidated Notes, Series X, 4¾ per cent, due December 15, 1970, were sold to a group of ten banks at par. On August 26, 1970, \$100,000,000 Consolidated Bonds, Thirty-fifth Series, 6½ per cent, due August 1, 2005 were sold to an investment group headed by Halsey, Stuart & Co., Inc.; Blyth & Co., Inc.; Drexel Harriman Ripley Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Brothers; and White, Weld & Co. at a negotiated price of 98.4

per cent of par resulting in a net interest cost to the Authority of 6.68 per cent. On November 24, 1970, \$50,000,000 Consolidated Bonds, Thirty-sixth Series, 6.40 per cent, due November 1, 2005 were sold to an investment group headed by Halsey, Stuart & Co., Inc.; Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Brothers; and White, Weld & Co. at a negotiated price of 98.0 per cent of par resulting in a net interest cost to the Authority of 6.47 per cent.

In addition, in December 1970 a total of \$60,000,000 was borrowed from ten banks. The loan, which is to be repaid in three annual installments with the final maturity due December 20, 1977, is evidenced by notes which bear interest at the rate of 5¼ per cent per annum. The banks participating in the loan are First National City Bank; The Chase Manhattan Bank, N.A.; Bankers Trust Company; Manufacturers Hanover Trust Company; Chemical Bank; Irving Trust Company; Marine Midland Bank-New York; Marine Midland Bank-Western; Fidelity Union Trust Company; and The Bank of New York.

The notes are special obligations of the Authority, the principal and interest of which are payable from monies available in the Consolidated Bond Reserve Fund. Neither the loan nor interest thereon is secured by or payable from the General Reserve Fund.

Debt Retired

During the year, \$27,736,000 par value of long-term bonds was retired through mandatory sinking fund and maturity payments, and \$4,218,000 of General and Refunding, Air Terminal and Marine Terminal Bonds was retired through appli-

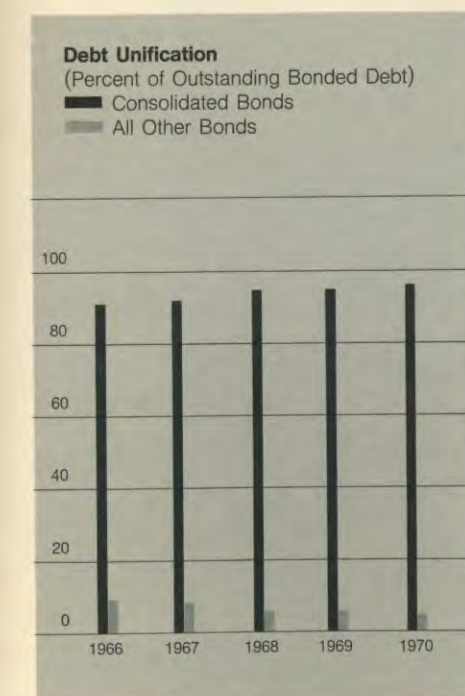
cation of Reserve Funds in Trust for such bonds in anticipation of future sinking fund requirements. Also, \$50,000,000 Consolidated Notes, Series W and \$75,000,000 Consolidated Notes, Series X were refunded as shown in Statement G.

On December 18, 1970, payment of the second annual installment in the amount of \$35,000,000 was made on the \$210,000,000 bank loan obtained in 1968. The bank loans outstanding at year-end amounted to \$200,000,000.

Facts for Bondholders

Consolidated Bonds

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 51). All Consolidated Bonds are further secured by a pledge of the General Reserve Fund on an equal footing with other obligations of the Authority, and by a pledge of the monies in the Consolidated Bond Reserve Fund, as provided in the Consolidated Bond Resolution.

On December 31, 1970, outstanding Consolidated Bonds totaled \$1,221,561,000. Over the years, the Authority has issued a total of \$1,891,650,000 Consolidated Bonds, exclusive of refundings.

Net Operating Revenues Before Debt Service

(In Millions)

	1970	1969	1968	1967	1966
Consolidated Bonds					
Revenues	\$ 30.8	\$ 29.7	\$ 26.2	\$24.5	\$23.1
Operating Expenses	27.4	25.1	24.5	21.6	20.3
Net Operating Revenues	3.4	4.6	1.7	2.9	2.8
General and Refunding Bonds					
Revenues	\$ 96.2	\$ 92.9	\$ 89.4	\$84.1	\$81.0
Operating Expenses	49.0	45.1	41.3	39.3	37.4
Net Operating Revenues	47.2	47.8	48.1	44.8	43.6
Air Terminal Bonds					
Revenues	\$117.5	\$110.1	\$102.0	\$89.7	\$76.9
Operating Expenses	64.5	60.2	54.2	45.7	41.0
Net Operating Revenues	53.0	49.9	47.8	44.0	35.9
Marine Terminal Bonds					
Revenues	\$ 10.8	\$ 10.1	\$ 9.4	\$ 9.2	\$ 8.9
Operating Expenses	4.1	3.9	3.8	3.5	3.4
Net Operating Revenues	6.7	6.2	5.6	5.7	5.5

PRICE WATERHOUSE & CO.

60 BROAD STREET
NEW YORK 10004

February 16, 1971

The Port of New York Authority
New York, New York

In our opinion, Statements A through H present fairly the financial position of The Port of New York Authority at December 31, 1970 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, 1970, 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,	
	1970	1969
(In Thousands)		
Gross Operating Revenues	\$255,318	\$242,797
Operating Expenses	144,988	134,297
Net Operating Revenues	110,330	108,500
Financial Income		
Income on investments	16,067	13,639
Security valuation adjustment	11,184	(12,159)
	137,581	109,980
Debt Service		
Interest on bonded debt	26,346	25,507
Serial maturities and sinking fund requirements	27,321	26,363
Short-term note retirements	—	15,000
Bank loan payment	35,006	35,000
Cancellation of bonds held in trust	3,704	—
Total Debt Service	92,377	101,870
Invested in Facilities	11,000	—
Net Increase in Reserves	34,204	8,110
Reserve balances—beginning of year	151,837	143,727
Reserve Balances—End of Year	\$186,041	\$151,837

STATEMENT B Financial Position

	December 31, 1970			December 31, 1969
	Capital Funds	Reserve Funds (Statement D)	General Operating Funds	Combined Total
(In Thousands)				
ASSETS				
Invested in Facilities	\$2,398,502	\$ —	\$ —	\$2,398,502
Investment in Securities (Statement F)	161,259	184,181	8,277	353,717
Cash and Time Deposits	111,304	1,860	5,713	118,877
Other Assets	3,551	—	43,737	47,288
Total Assets	2,674,616	186,041	57,727	2,918,384
LIABILITIES				
Bonded Debt (Statement G)	1,270,691	—	—	1,270,691
Bank Loans Payable	200,000	—	—	200,000
Debt Retired Through Income (Statement E)	1,142,040	—	—	1,142,040
Reserves	—	186,041	—	186,041
Accounts Payable and Other Liabilities	61,885	—	42,244	104,129
Provision for Self-Insurance	—	—	12,264	12,264
Deferred Credits to Income	—	—	3,219	3,219
Total Liabilities	\$2,674,616	\$186,041	\$57,727	\$2,918,384

See Notes to Financial Statements

Notes to Financial Statements
December 31, 1970

Note A—Accounting Principles:

1. The Port of New York Authority, 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. The accounts of the Authority are maintained in accordance with generally accepted accounting principles appropriate in the circumstances.

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 payments to sinking funds and other principal payments on debt. 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. The statement of revenues and reserves is presented for general infor-

mation purposes only. The amount and disposition of revenues and an analysis of reserves are set forth in Statements C and D respectively.

5. 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.

6. 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.

Note B—Commitments:

At December 31, 1970, the Authority was committed under various contracts to the completion over the next three or four years of approximately \$250,000,000 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 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 \$3,300,000. Additional rentals are payable if earned in connection with certain of these leases.

The Authority and the City of New York have authorized a lease for the development of a consolidated passenger ship terminal, and for the interim operation of existing passenger piers, on the Hudson River side of Manhattan Island. The lease was contingent upon the execution of certain ancillary agreements by the Authority, the City of New York, and passenger steamship lines. The lease has not become effective, and the physical

plans for the facility are now being re-evaluated.

Note D—Bank Loans:

At December 31, 1970, a balance of \$200,000,000 in principal amount of two 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 up to \$35,000,000 to the extent net revenues are legally available therefor. Two annual installments totaling \$70,000,000 have been paid by the Authority through December 31, 1970, leaving an unpaid balance on this loan of \$140,000,000. 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 annual installments commencing in 1975 of up to \$20,000,000 from net revenues legally available therefor. Both 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.

Under the terms of the two loan agreements, the loans were made payable from net revenues legally available therefor in the Authority's Special Reserve Fund, Air Terminal Reserve Fund, Marine Terminal Reserve Fund and Consolidated Bond Reserve Fund as provided in the Authority's bond resolutions. See Note E below with respect to such loan payments in 1971 and thereafter. Payment of the loans and interest thereon was made 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 and Consolidated Notes, 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 interest thereon are secured by or payable from the General Reserve Fund.

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 to be applied 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 to be paid into the Consolidated Bond Reserve Fund. Beginning in 1971, annual installment payments on the bank loans are to be made exclusively from the Consolidated Bond Reserve Fund.

Note F—General:

Pursuant to legislative and judicial authorizations, the Authority on September 1, 1962 acquired by condemnation the former Hudson & Manhattan Railroad (Hudson Tubes) through the Port Authority Trans-Hudson Corporation, a subsidiary of The Port of New York Authority established for that purpose. The accounts of the subsidiary corporation are consolidated in the accompanying Port Authority financial statements as accounts of a facility whose net revenues are first pledged for Consolidated Bonds.

By condemnation proceedings in the New York State Supreme Court and by purchase, the Authority has acquired title, for purposes of the World Trade Center, to all of the non-governmentally owned real property located in the Hudson Tubes-World Trade Center area as defined by statute. On June 17, 1970, The New York Supreme Court, after review and post-trial hearing, made final awards to fee, mortgage, and fixture claimants in connection with the World Trade Center condemnation proceedings which would bring the total acquisition cost of this property to about \$30,675,000. Some of these awards may change after appeal.

STATEMENT C **Operating Fund Revenues** Year Ended December 31, 1970

	Related to				Combined Total
	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	Consolidated Bonds	
	(In Thousands)				
Gross Operating Revenues	\$96,240	\$117,474	\$10,781	\$ 30,823	\$255,318
Operating Expenses	49,016	64,453	4,114	27,405	144,988
Net Operating Revenues	47,224	53,021	6,667	3,418	110,330
Financial Income					
Income on investments	2,087	878	146	—	3,111
Security valuation adjustment	851	483	73	—	1,407
Net Before Debt Service	50,162	54,382	6,886	3,418	114,848
Debt Service					
Interest on bonded debt	289	961	97	24,999	26,346
Serial maturities and sinking fund requirements	1,212	3,592	318	22,199	27,321
Total Debt Service	1,501	4,553	415	47,198	53,667
Transfers to and (from) Reserves	48,661	49,829	6,471	(43,780)	61,181
Analysis of Transfers					
From General Reserve—to cover net deficit	—	—	—	(43,780)	(43,780)
To General Reserve—to bring to 10% of bonded debt	15,148	15,512	2,014	—	32,674
To special reserves	33,513	34,317	4,457	—	72,287
Net Transfers	\$48,661	\$ 49,829	\$ 6,471	\$ (43,780)	\$ 61,181

See Notes to Financial Statements

STATEMENT D **Analysis of Reserve Funds** Year Ended December 31, 1970

	General Reserve Fund	Special Reserve Fund	Air Terminal Reserve Fund	Marine Terminal Reserve Fund	Consolidated Bond Reserve Fund	Combined Total
	(In Thousands)					
Balance—January 1, 1970	\$120,264	\$ 9,615	\$19,739	\$2,219	\$ —	\$151,837
Income on investments	10,195	842	1,725	194	—	12,956
Security valuation adjustment	7,716	628	1,288	145	—	9,777
	138,175	11,085	22,752	2,558	—	174,570
Transfers (to) and from Operating Funds:						
Deficit related to Consolidated Bonds	(43,780)	—	—	—	—	(43,780)
Revenues related to:						
General and Refunding Bonds	15,148	33,513	—	—	—	48,661
Air Terminal Bonds	15,512	—	34,317	—	—	49,829
Marine Terminal Bonds	2,014	—	—	4,457	—	6,471
Net transfers	(11,106)	33,513	34,317	4,457	—	61,181
Applications:						
Bank loan payment	—	(20,628)	(12,653)	(1,725)	—	(35,006)
Interfund transfers	—	(4,532)	(7,267)	(1,128)	12,927	—
Invested in facilities	—	—	—	—	(11,000)	(11,000)
Sub-total	127,069	19,438(A)	37,149(A)	4,162(A)	1,927	189,745
Cancellation of bonds held in trust	—	(170)	(4,080)	(208)	754	(3,704)
Balance—December 31, 1970	\$127,069	\$19,268	\$33,069	\$3,954	\$ 2,681	\$186,041
(A) Reserve Funds placed in trust for:						
General and Refunding Bonds	\$19,438					
Air Terminal Bonds	37,149					
Marine Terminal Bonds	4,162					
Total	\$60,749					

See Notes to Financial Statements

STATEMENT E **Debt Retired Through Income** Year Ended December 31, 1970 (In Thousands)

Debt Retired Through Income

Balance at January 1	\$1,003,579
Net revenues and reserves applied to retirement of bonded debt as detailed in Statement G	31,954
Reserves applied to payment of bank loans as detailed in Statement D	35,000
Total	<u>1,070,533</u>

Contributed by Federal and State Agencies in Aid of Construction

Balance at January 1	61,710
Amounts received under Federal Airport Act	4,652
Amounts received under Urban Mass Transportation Act	1,314
Total	<u>67,676</u>

Appropriated Reserves Invested in Facilities

Balance at January 1	8,468
Additions	11,000
Total	<u>19,468</u>
	<u>1,157,677</u>

Less:
Cost of Refunding and Consolidating Debt

Balance at January 1 and December 31	15,637
Total	<u>\$1,142,040</u>

STATEMENT F **Investment in Securities** December 31, 1970

	Principal Amount	Quoted Market Value (In Thousands)	Amortized Cost
Short-Term			
Federal National Mortgage Association Participation Certificates	\$ 49,670	\$ 49,727	\$ 49,404
Export-Import Bank Participation Certificates	51,650	51,894	51,330
United States Treasury Bills	11,500	11,309	11,274
United States Treasury Notes	69,000	70,516	69,049
Total Short-Term	<u>181,820</u>	<u>183,446</u>	<u>181,057</u>
Long-Term			
Federal National Mortgage Association Participation Certificates	58,125	54,150	56,700
Export-Import Bank Participation Certificates	13,875	11,985	14,059
United States Treasury Notes	12,775	12,955	12,965
Farmers Home Administration Notes	67,019	71,262	67,006
Security valuation allowance at December 31, 1970			(378)
Total Long-Term United States Securities	<u>151,794</u>	<u>150,352</u>	<u>150,352</u>
The Port of New York Authority Bonds	20,672	14,048	15,526
Total Long-Term	<u>\$172,466</u>	<u>\$164,400</u>	<u>165,878</u>
Accrued Interest Receivable			6,782
Total Investment in Securities			<u>\$353,717</u>

See Notes to Financial Statements

STATEMENT G **Bonded Debt** Year Ended December 31, 1970

	January 1, 1970	Issued	Retired	December 31, 1970
	(In Thousands)			
General and Refunding Bonds				
Eighth Series, 2% due 1974	\$ 5,103	\$ —	\$ 1,401	\$ 3,702
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>18,446</u>	<u>—</u>	<u>1,401</u>	<u>17,045</u>
Air Terminal Bonds				
First Series, 3% due 1978	14,815	—	3,382	11,433
Second Series, 2½% due 1979	15,339	—	3,121	12,218
Third Series, 2.20% due 1980	6,058	—	1,108	4,950
	<u>36,212</u>	<u>—</u>	<u>7,611</u>	<u>28,601</u>
Marine Terminal Bonds				
First Series, 2½% due 1978	2,723	—	381	2,342
Second Series, 2.20% due 1980	1,308	—	166	1,142
	<u>4,031</u>	<u>—</u>	<u>547</u>	<u>3,484</u>
Consolidated Bonds				
First Series, 3% due 1982	19,481	—	1,305	18,176
Second Series, 2¾% due 1984	17,400	—	580	16,820
Fourth Series, 2¾% due 1985	25,000	—	1,000	24,000
Fifth Series, 2.90% due 1983	14,100	—	420	13,680
Sixth Series, 3% due 1986	22,200	—	600	21,600
Seventh Series, 3.40% due 1986	19,300	—	600	18,700
Eighth Series, 3.40% due 1987	39,000	—	1,000	38,000
Ninth Series, 3½% due 1970-1975	8,100	—	1,350	6,750
Tenth Series, 3¾% due 1987	27,600	—	900	26,700
Eleventh Series, 3% due 1970-1978	18,000	—	2,000	16,000
Twelfth Series, 3¾% due 1988	32,690	—	560	32,130
Thirteenth Series, 3½% due 1970-1977	10,000	—	1,250	8,750
	1,250	—	—	1,250
Fourteenth Series, 3¾% due 1989	48,785	—	1,155	47,630
Fifteenth Series, 4% due 1970-1975	10,500	—	1,750	8,750
	7,000	—	—	7,000
Sixteenth Series, 4¼% due 1989	21,650	—	—	21,650
Seventeenth Series, 3½% due 1970-1975	9,000	—	1,500	7,500
	6,000	—	—	6,000
	1,500	—	—	1,500
Eighteenth Series, 3¼% due 1970-1975	10,850	—	1,750	9,100
	12,600	—	—	12,600
Nineteenth Series, 3½% due 1991	22,750	—	500	22,250
Twentieth Series, 3¼% due 1993	33,950	—	525	33,425
Twenty-first Series, 3.40% due 1993	24,250	—	375	23,875
Twenty-second Series, 3¾% due 1993	24,250	—	375	23,875
Twenty-third Series, 3¾% due 1994	24,625	—	375	24,250
Twenty-fourth Series, 3½% due 1994	24,625	—	375	24,250
Twenty-fifth Series, 3.20% due 1970-1973	6,000	—	1,500	4,500
	7,500	—	—	7,500
	3,000	—	—	3,000
	6,000	—	—	6,000
Twenty-sixth Series, 3½% due 1995	35,000	—	525	34,475
Twenty-seventh Series, 3¾% due 1995	25,000	—	125	24,875
Twenty-eighth Series, 3¾% due 1996	25,000	—	—	25,000
Twenty-ninth Series, 3½% due 1996	25,000	—	—	25,000
Thirtieth Series, 3¾% due 1998	25,000	—	—	25,000
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, 6% due 2005	—	100,000	—	100,000
Thirty-sixth Series, 6.40% due 2005	—	50,000	—	50,000
	<u>1,093,956</u>	<u>150,000</u>	<u>22,395</u>	<u>1,221,561</u>
Consolidated Notes				
Series W Refunded, 7½% due December 11, 1972	50,000	—	—	—
Series X Refunded, 4¼% due December 15, 1970	—	(50,000)	—	—
	—	75,000	—	—
	—	(75,000)	—	—
	<u>50,000</u>	<u>(50,000)</u>	<u>—</u>	<u>—</u>
Total Bonded Debt	<u>\$1,202,645</u>	<u>\$100,000</u>	<u>\$31,954</u>	<u>\$1,270,691</u>

See Notes to Financial Statements

STATEMENT H **Bonded Debt Amortization 1971-2005** December 31, 1970 (In Thousands)

Year	Debt Service Total All Issues			Amortization			
	Par Value: \$1,270,691			Consolidated Bonds	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds
	Total	Interest	Amortization				
1971	\$ 77,612	\$ 52,608	\$ 25,004	\$ 23,654	\$ 1,100	\$ —	\$ 250
1972	82,357	51,795	30,562	24,856	1,288	3,959	459
1973	83,014	50,901	32,113	26,192	1,385	4,065	471
1974	83,959	49,840	34,119	28,849	614	4,174	482
1975	84,593	48,707	35,886	30,165	941	4,286	494
1976	82,794	47,558	35,236	29,296	1,033	4,401	506
1977	82,874	46,399	36,475	30,245	1,194	4,519	517
1978	84,811	45,126	39,685	35,793	1,211	2,530	151
1979	83,735	43,742	39,993	37,944	1,228	667	154
1980	84,028	42,357	41,671	40,425	1,246	—	—
1981	82,358	40,917	41,441	40,177	1,264	—	—
1982	80,635	39,508	41,127	39,845	1,282	—	—
1983	81,130	38,025	43,105	41,805	1,300	—	—
1984	83,314	36,422	46,892	45,575	1,317	—	—
1985	81,308	34,696	46,612	45,970	642	—	—
1986	83,001	32,858	50,143	50,143	—	—	—
1987	77,778	30,905	46,873	46,873	—	—	—
1988	71,832	29,127	42,705	42,705	—	—	—
1989	68,901	27,351	41,550	41,550	—	—	—
1990	68,183	25,633	42,550	42,550	—	—	—
1991	66,327	23,777	42,550	42,550	—	—	—
1992	64,946	21,896	43,050	43,050	—	—	—
1993	62,971	19,921	43,050	43,050	—	—	—
1994	58,141	17,991	40,150	40,150	—	—	—
1995	52,990	16,090	36,900	36,900	—	—	—
1996	48,758	14,258	34,500	34,500	—	—	—
1997	43,828	12,578	31,250	31,250	—	—	—
1998	42,423	10,923	31,500	31,500	—	—	—
1999	40,271	9,271	31,000	31,000	—	—	—
2000	38,609	7,609	31,000	31,000	—	—	—
2001	38,414	5,914	32,500	32,500	—	—	—
2002	36,554	4,054	32,500	32,500	—	—	—
2003	29,835	2,335	27,500	27,500	—	—	—
2004	11,645	1,145	10,500	10,500	—	—	—
2005	10,957	457	10,500	10,500	—	—	—
Total	\$2,254,886	\$982,694	\$1,272,192	\$1,223,062	\$17,045	\$28,601	\$3,484

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 instalment 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)

	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961
Net Revenues (A)										
Gross Operating Revenues	\$ 255,318	\$ 242,797	\$ 226,931	\$ 207,511	\$ 189,953	\$ 178,630	\$ 167,256	\$ 154,025	\$ 135,059	\$ 123,267
Operating Expenses	144,988	134,297	123,831	110,095	102,113	98,901	89,177	79,797	65,742	56,018
Net Operating Revenues	110,330	108,500	103,100	97,416	87,840	79,729	78,079	74,228	69,317	67,249
Other Income (B)	16,067	13,639	10,749	7,792	6,893	5,553	5,123	4,825	4,806	4,339
Net Revenues Before Debt Service	126,397	122,139	113,849	105,208	94,733	85,282	83,202	79,053	74,123	71,588
Interest on Bonded Debt	26,346	25,507	24,580	23,254	22,369	21,249	20,291	18,752	16,280	14,807
Balance Available for Debt Retirement and Reserves	100,051	96,632	89,269	81,954	72,364	64,033	62,911	60,301	57,843	56,781
Times, Interest Earned	4.80	4.79	4.63	4.52	4.24	4.01	4.10	4.22	4.55	4.83
Mandatory Long-Term Debt Retirements	27,321	26,363	24,943	23,139	21,407	21,384	19,849	20,264	20,777	19,002
Net Revenues after Debt Service (C)	\$ 72,730	\$ 70,269	\$ 64,326	\$ 58,815	\$ 50,957	\$ 42,649	\$ 43,062	\$ 40,037	\$ 37,066	\$ 37,779
Times, Debt Service Earned	2.36	2.35	2.30	2.27	2.16	2.00	2.07	2.03	2.00	2.12
Net Changes in Reserves										
Transferred from Revenues (above)	\$ 72,730	\$ 70,269	\$ 64,326	\$ 58,815	\$ 50,957	\$ 42,649	\$ 43,062	\$ 40,037	\$ 37,066	\$ 37,779
Short-Term Note Retirements	—	(15,000)	(28,000)	(46,000)	(40,000)	(31,500)	(33,000)	(33,000)	(31,000)	(32,000)
Bank Loan Payment	(35,006)	(35,000)	—	—	—	—	—	—	—	—
Long-Term Debt Retirement Acceleration	—	—	(958)	(2,531)	(1,195)	(3,551)	(3,147)	(2,590)	(2,038)	(489)
Invested in Facilities	(11,000)	—	—	—	—	—	—	—	—	—
Cancellation of Bonds Held in Trust	(3,704)	—	—	—	—	—	—	—	—	—
Adjustment of Securities to Market Value (D)	11,184	(12,159)	(4,404)	(7,709)	(414)	(4,010)	107	(2,968)	2,311	(1,943)
Net Change	\$ 34,204	\$ 8,110	\$ 30,964	\$ 2,575	\$ 9,348	\$ 3,588	\$ 7,022	\$ 1,479	\$ 6,339	\$ 3,347
Reserves—At Year End										
General Reserve	\$ 127,069	\$ 120,264	\$ 117,950	\$ 90,649	\$ 83,285	\$ 85,593	\$ 80,611	\$ 73,950	\$ 68,761	\$ 62,609
Special Reserve	19,268(E)	9,615	14,045	12,642	15,219	9,090	10,352	10,781	12,955	13,305
Air Terminal Reserve	33,069(E)	19,739	10,379	8,364	10,051	5,299	5,413	4,423	5,826	5,377
Marine Terminal Reserve	3,954(E)	2,219	1,353	1,108	1,633	858	876	1,076	1,209	1,121
Consolidated Bond Reserve	2,681	—	—	—	—	—	—	—	—	—
Total	\$ 186,041	\$ 151,837	\$ 143,727	\$ 112,763	\$ 110,188	\$ 100,840	\$ 97,252	\$ 90,230	\$ 88,751	\$ 82,412
Debt—At Year End										
General and Refunding Bonds	\$ 17,045	\$ 18,446	\$ 19,661	\$ 22,290	\$ 24,490	\$ 25,717	\$ 27,035	\$ 33,190	\$ 38,761	\$ 46,077
Air Terminal Bonds	28,601	36,212	39,870	43,432	46,902	50,280	53,548	56,330	59,898	62,829
Marine Terminal Bonds	3,484	4,031	4,336	4,633	5,360	5,643	5,777	6,543	6,913	7,276
Consolidated Bonds and Notes	1,221,561	1,143,956	1,115,632	836,136	756,097	774,288	719,749	643,434	582,041	509,911
Total Bonded Debt	1,270,691	1,202,645	1,179,499	906,491	832,849	855,928	806,109	739,497	687,613	626,093
Bank Loans	200,000	175,000	210,000	—	—	—	—	—	—	—
Total	\$1,470,691	\$1,377,645	\$1,389,499	\$ 906,491	\$ 832,849	\$ 855,928	\$ 806,109	\$ 739,497	\$ 687,613	\$ 626,093
Invested in Facilities—At Year End	\$2,398,502	\$2,098,196	\$1,886,559	\$1,683,799	\$1,584,037	\$1,503,765	\$1,402,722	\$1,327,956	\$1,224,227	\$1,116,109
Debt Retirement Through Revenues and Reserves										
Annually	\$ 66,954	\$ 76,854	\$ 54,992	\$ 72,358	\$ 63,079	\$ 56,681	\$ 56,388	\$ 56,116	\$ 54,480	\$ 51,734
Cumulative	1,070,533	1,003,579	926,725	871,733	799,375	736,296	679,615	623,227	567,111	512,631

(A) These combined totals are presented for general information purposes only; the net revenues of the various facilities for the years listed 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.

(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, were met by payments from Reserves; they are not shown in this Statement as deductions from reserves, but rather reduce the annual amounts otherwise available for reserves to produce the annual amounts shown above at "Net Revenues after Debt Service." Short-term note retirements are shown under "Net Changes in Reserves."

Any balance of short-term maturities were 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 in Trust at December 31, 1970. See Note E in Notes to Financial Statements.

See Notes to Financial Statements

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

	December 31, 1970		December 31, 1969	
	Related to Cars		Combined Total	Combined Total
	Leased to The Metropolitan Transportation Authority	Leased to Penn Central Transportation Company		
	(In Thousands)			
Assets				
Invested in commuter cars, at cost	\$62,860	\$14,250	\$77,110	\$66,105
Investment in U.S. Government Securities, at cost (which approximates market)	604	—	604	13,974
Cash	74	316	390	29
Other assets	1,229	—	1,229	115
Total Assets	<u>64,767</u>	<u>14,566</u>	<u>79,333</u>	<u>80,223</u>
Liabilities				
State Guaranteed Commuter Car Bonds	61,845	10,170	72,015	73,500
Debt retired through income	1,155	4,080	5,235	3,750
Accounts payable and other liabilities	1,767	316	2,083	2,973
Total Liabilities	<u>\$64,767</u>	<u>\$14,566</u>	<u>\$79,333</u>	<u>\$80,223</u>

See Note A-6 to Financial Statements

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