

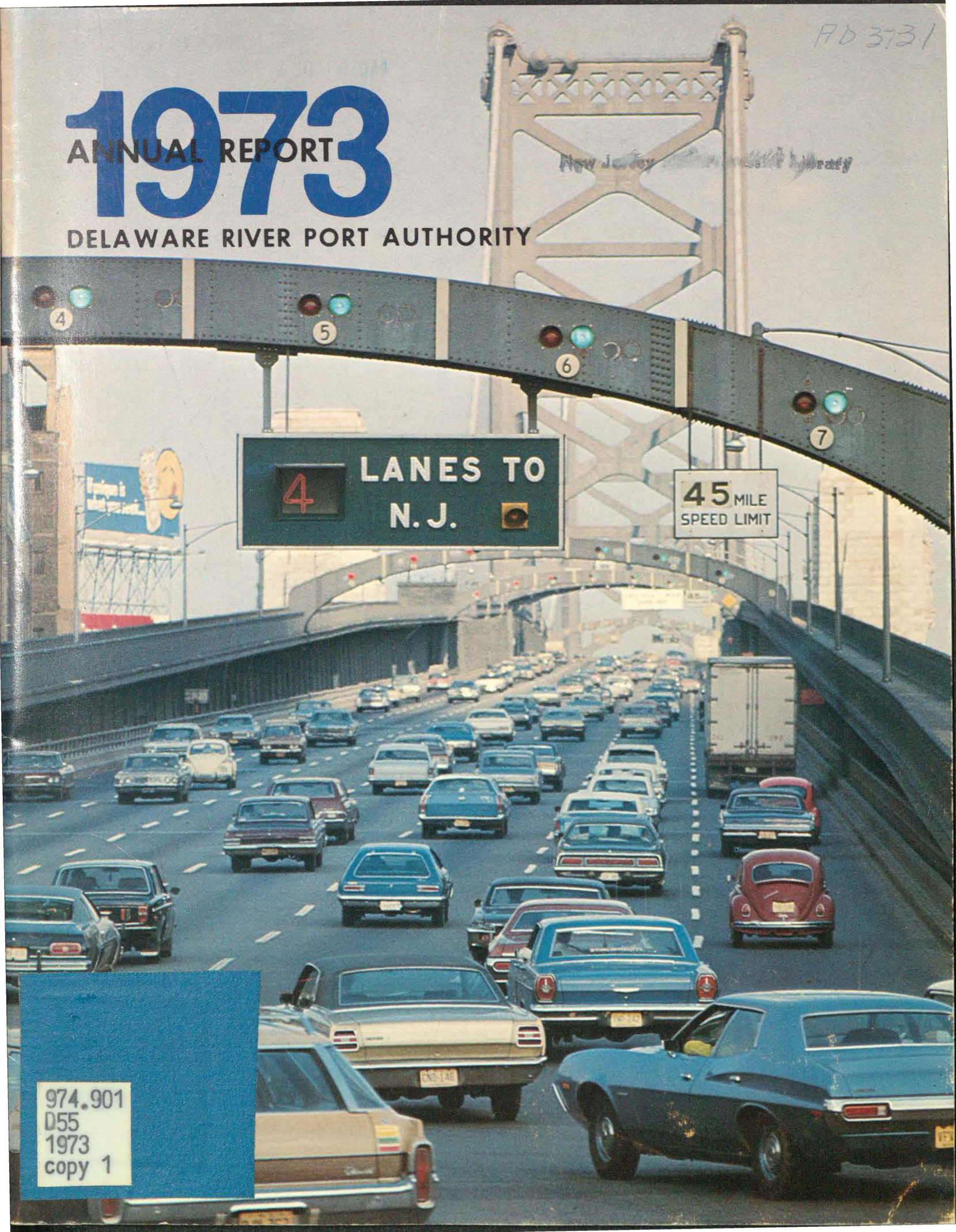
FD 3731

# 1973

ANNUAL REPORT

DELAWARE RIVER PORT AUTHORITY

New Jersey Delaware River Port Authority



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**DELAWARE RIVER PORT AUTHORITY**  
of Pennsylvania and New Jersey

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**1973 Annual Report**

**Monthly Meeting**

Port Authority Commissioners meet the third Wednesday of each month in the board room of the Administration Building, Benjamin Franklin Bridge Plaza, Camden, New Jersey

**Commissioners**

**New Jersey**

Ralph Cornell  
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John C. Gilmour, Jr.  
Joseph M. Hitzel, Jr.  
Francis J. Lucas  
William G. Rohrer  
Daniel B. Toll  
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*Vice Chairman*  
Grace M. Sloan  
Robert P. Casey  
Morris Gerber  
Richard G. Gilmore  
Albert Levin  
Henry W. Sawyer, III  
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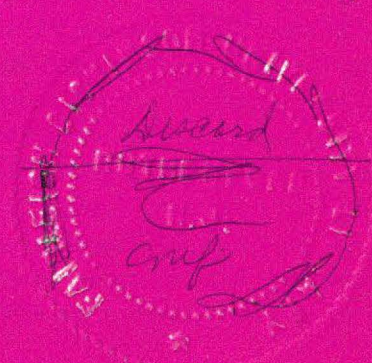
**Officers**

William W. Watkin, Jr.  
*Executive Director*  
Alfred L. Griebing  
*Deputy Executive Director*  
Haldane King  
*Deputy Executive Director*  
Edward P. Scullin  
*Secretary*  
Thomas J. Auchter  
*Treasurer*

**Legal Counsel**

Victor Wright  
*Pennsylvania Counsel*  
Raymond W. Uliase  
*New Jersey Counsel*  
Thomas F. Connery, Jr.  
*Special Counsel*  
Duane, Morris and Heckscher  
*Special Counsel*

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**Honorable Brendan T. Byrne**  
*Governor of the State  
of New Jersey*



**Honorable Milton J. Shapp**  
*Governor of the Commonwealth  
of Pennsylvania*

To:

The Honorable Brendan T. Byrne  
Governor of the State of New Jersey

and

The Honorable Milton J. Shapp  
Governor of the Commonwealth of Pennsylvania

This 1973 Annual Report of the Delaware River Port Authority of Pennsylvania and New Jersey reflects significant progress in the advancement of rapid transit planning, in new bridge construction and in port promotion.

It is also a record of another year of operating the Benjamin Franklin and Walt Whitman Bridges, the Lindenwold Line and the Chester-Bridgeport Ferry with the interstate transportation requirements of the 10-county bi-state community firmly in mind, rendering a level of public service consistent with those needs.

A major development was the Urban Mass Transportation Administration's approval, on June 21, of a capital grant covering a \$34.9 million program of improvements to the popular Lindenwold Line. Two-thirds of that sum is being funded by the Federal Government, with New Jersey providing \$10 million and Pennsylvania and Philadelphia to fund \$650,000 each. The project embraces the construction of an additional station at Woodcrest, the procurement of 45 more cars and certain modifications to the existing facility. The Federal Highway Administration is providing the major share and the New Jersey Department of Transportation the local share of funding for Woodcrest Parking Facilities and connecting ramps to Interstate 295.

Encouraged by the first subsidization of one of its projects, DRPA has accelerated the planning of other mass transportation improvements. Each of these is tied to the Lindenwold Line, which was built without subsidy as the first arm of a Southern New Jersey Rapid Transit System. Other arms to

Burlington and/or Gloucester Counties and extensions beyond the present New Jersey and Philadelphia terminals are under consideration.

The Commodore John Barry Bridge across the Delaware River between Chester, Pennsylvania and Bridgeport, New Jersey was virtually completed at the turn of the year. The \$119.2 million span has attracted considerable professional and public attention during its construction since it is the longest highway cantilever bridge in the world. It will be opened to revenue traffic on Friday, February 1, following a luncheon, ribbon-cutting ceremony and period of several hours when its use will be restricted to pedestrians and bicyclists. At midnight, the DRPA-operated Chester-Bridgeport Ferry will make its last trip and its three ferry boats will be offered for sale.

Work on the Betsy Ross Bridge between Philadelphia and Pennsauken, New Jersey is at 99 percent of completion, but its opening has been deferred until September 1975 due to a serious lag in highway construction on the Pennsylvania side. Interchange connections with Interstate 95 were not built in accordance with the schedule agreed upon by previous Harrisburg Administrations. An intermediate plan to open the \$105 million span with limited access to and from the Philadelphia street system generated a public protest of some dimension.

The Benjamin Franklin and Walt Whitman Bridges continue to rank among the world's busiest toll facilities. Their combined traffic for 1973 was 52,211,276 vehicles, as compared with 51,458,044 in 1972. The Whitman accommodated 30,349,900 cars, trucks, buses and motorcycles, an increase of 1,328,552 over the previous year. A decline of 575,320 to 21,861,376 was the lowest vehicular count on the Franklin since 1948.

The Port Authority Transit Corporation, a DRPA wholly-owned subsidiary, carried 10,177,076 passengers during the year, a dip of 855,468 from the previous 12 months. It was the first year-to-year decline since the Lindenwold Line commenced operating in 1965 and reflected two labor-related shutdowns. PATCO continues to attract visitors from around the world, impressing them with its automation, its 98.5 percent on-time performance

and its ratio of one employee per 166 passengers, the most favorable in the industry. It is also distinctive in that it has met operating and maintenance expenses out of income for the second year in a row. Allowance for depreciation and interest on invested capital are borne largely by DRPA. When these are applied, the transit system loss for the year was \$7,694,074, compared with \$6,394,306 in 1972.

DRPA's effort in promoting the Delaware River as a highway of commerce, as specified in the Compact between the States, continues to bring heartening results. 1973 international commerce via Ameriport, the conglomerate name for port activity in the lower Delaware River, rose 24 percent from 1972 to a record-breaking 79,346,905 tons. Imports of petroleum and exports of grain figured prominently in that tonnage expansion, but the 5.6 percent increase in general cargo to a new high of 6,436,441 tons was very significant. It is the general cargo — cargo that is boxed, bagged, crated or handled in separate drafts — which produces the greater economic benefit to the area, about \$26 per ton. Income is derived from demands of ships for pilotage, tugs, line running, dockage, bunkers, supplies, provisions and similar requirements; from the movement of the cargo in handling, storing and transporting; and finally, from the general port services of agents, forwarder, customs house brokers, insurance companies and banks. Bulk cargo, such as oil, ore and grain, requires less attention and produces smaller benefits of \$6 to \$8 per ton. The combination is estimated to generate \$600 million annually in regional economic benefits.

Added to Ameriport's economic impact was the Authority's own expenditure of nearly \$10 million on payroll, nearly \$1 million for goods and miscellaneous services and \$318.7 million for construction.

1973 was the first full calendar year during which the increased toll schedule adopted on April 1, 1972 was in effect. As a result, DRPA operating revenues reached \$38,259,925, exceeding the total of any former year. However, operating expenses also increased under what the Federal Reserve Bank of New York has characterized as the greatest inflationary force since the early days of the Korean War. Final figures show that 1973 net income of \$6,862,182 was within one percent of the 1972 total.

This sound financial position was threatened when the United States Department of Transportation directed that bridge charges be rolled back effective January 1, 1974 to the level of March 30, 1972. DRPA officials promptly arranged a meeting with Federal Highway Administrator Norbert Tiemann at which they proposed an alternative toll schedule which would benefit buses and carpools and yet permit the Authority to remain in a financially sound position. The Administrator approved the substitution of the DRPA proposed schedule, whose effects will be mirrored in the 1974 Annual Report.

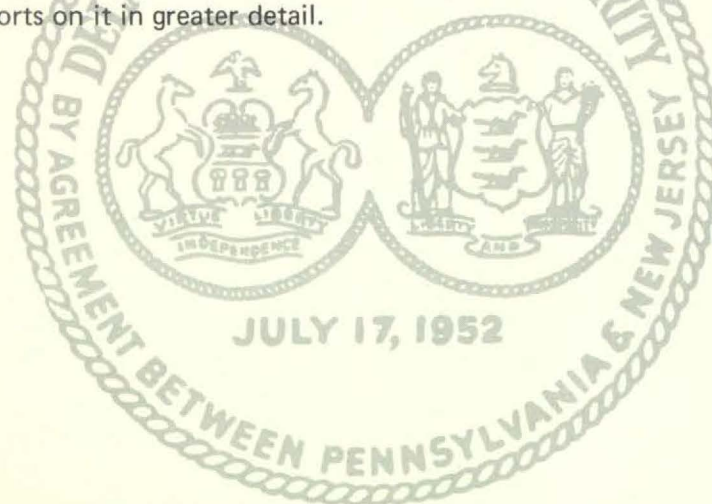
The foregoing summarizes the 1973 stewardship of this Authority's duly-appointed Commissioners. The accompanying text reports on it in greater detail.



**Ralph Cornell**  
*Chairman*



**John R. Bunting**  
*Vice Chairman*



Yours respectfully,

*Ralph Cornell*

**Ralph Cornell**  
*Chairman*

## The Authority

The Delaware River Port Authority is a public agency serving the 10-county region comprised of Philadelphia and Delaware counties in Pennsylvania and the New Jersey counties from Burlington south to Cape May.

It succeeded the Delaware River Joint Commission, and was organized in its present form in 1951 by a Compact between the two States. The Compact was approved by the Congress of the United States in 1952.

It charges the Authority with the responsibility for river crossings within the Authority's area of jurisdiction; with providing and operating a rapid transit system between Philadelphia and points in South Jersey within 35 miles of Philadelphia; and with the promotion of commerce through the ports of the Delaware River.

Port Authority activities are financed by revenues and fares collected for the use of its facilities. It has no power to levy taxes nor can it pledge the credit of either State.

The ultimate goal of the Authority is summarized in the Compact: "The Effectuation of its authorized purposes . . . is and will be in all respects for the benefit of the people of the Commonwealth of Pennsylvania and the State of New Jersey, for the increase of their commerce and prosperity and for the improvement of their health and living conditions; . . ."

New projects of the Authority must be approved by the Legislatures of both States.

The Authority is governed by a Board of Commissioners, eight from each State, who serve without compensation. New Jersey Commissioners are appointed by the Governor with the advice and consent of the Senate. Six of the Pennsylvania Commissioners are appointed by the Governor, while the Auditor General and the State Treasurer are ex-officio members. Terms for all Commissioners other than those who are ex-officio are five years. Actions of the Commission require a majority vote of the members from each State.

The offices of Chairman and Vice-Chairman are rotated between the two States and are filled at the biennial meeting. Other officers elected at the meeting are Secretary, Treasurer, Director of Finance, Executive Director and Counsel, at least one from Pennsylvania and one from New Jersey.

This year's election was held in January. Ralph Cornell of New Jersey was elected Chairman, John R. Bunting of Pennsylvania was named Vice Chairman, and W. W. Watkin, Jr. was named Executive Director. Re-elected were: Thomas J. Auchter, Treasurer/Director of Finance; Victor Wright, Pennsylvania Counsel; Duane, Morris & Heckscher, Special Counsel; Raymond W. Uliase, New Jersey Counsel and Thomas F. Connery,

Special Counsel. C. H. McWilliams, reelected Secretary, died in November. Edward P. Scullin was named to replace him at the December meeting.

Membership of the Board was reduced to 15 by the resignation of New Jersey Commissioner Bartholomew A. Sheehan, a banker with a 15-year record of astute financial advice to the Authority.

Policies of the Commission and the daily activities of the Authority are carried out by the Executive Director, two deputies and a professional staff. Its organization consists of the Bridge Division, Personnel Relations Division, Finance Division, Engineering Division, World Trade Division, Public Relations Division, Regional Planning Division, Administrative Services Division and Engineering Planning Division.

The Authority organization also includes two subsidiaries, the Port Authority Transit Corporation and the Port Authority Ferry Corporation.

Facilities and services of the Authority, provided in accordance with its legislative mandate, cover the whole spectrum of road, rail and water transportation. They are:

**The Benjamin Franklin Bridge**, opened July 1, 1926 to link Camden and Philadelphia, was the first major bridge to span the lower Delaware River. It was originally six lanes wide, but two lanes reserved for street cars were converted in 1950 to make the bridge eight lanes wide. In 1971, the eight were reduced to seven to improve traffic safety features and to provide motorists with wider and more comfortable driving lanes. High-speed line tracks parallel the roadway on each side. It has consistently ranked among the world's dozen busiest bridges.

**The Walt Whitman Bridge**, opened in 1957, is six miles in length, including approaches, and has seven traffic lanes. Approximately four miles downstream from the Benjamin Franklin Bridge, it connects South Philadelphia and Gloucester, N.J. It provides ready access between Philadelphia and such major New Jersey highways as the North-South Freeway, Interstate 295 and the Blackhorse Pike. The Walt Whitman ranks ninth among the world's busiest bridges.

**The Commodore John Barry Bridge**, between Chester, Pennsylvania and Bridgeport, New Jersey, will open February 1, 1974. The five-lane span will replace the ferry in operation at that location for more than 40 years. Connections with U.S. Route 130 in New Jersey are nearing completion while connections with Interstate 95 on the Pennsylvania side are still to be constructed.

**The Betsy Ross Bridge** is an eight-lane facility between Northeast Philadelphia and Pennsauken, New Jersey, five miles upstream from the Benjamin Franklin Bridge. While the main structure and support facilities are complete, opening for public use has been deferred until September 1, 1975

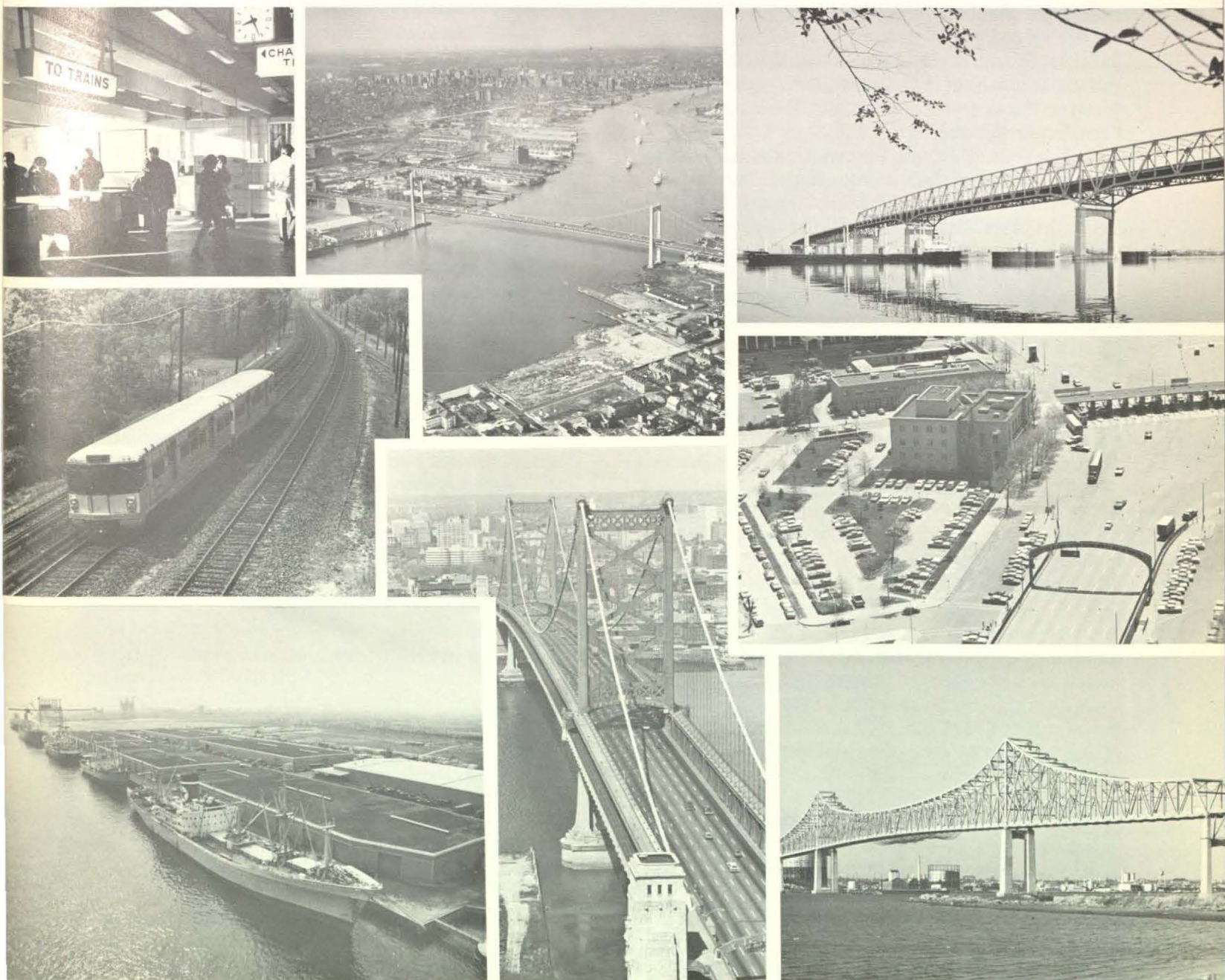
because of delays in construction of the interchange connections with Interstate 95 in Pennsylvania.

**The Chester-Bridgeport Ferry**, between Chester, Pennsylvania and Bridgeport, New Jersey was privately owned and in financial trouble when taken over by the Authority at the request of the parent States in 1956. Since that time, it has cost the Authority approximately \$2.5 million and each of the States \$656,250 to provide this service, which will be terminated following the February 1 opening of the adjoining Commodore John Barry Bridge.

**The Lindenwold High Speed Line**, built by the Authority, is a 14.5-mile rapid transit system operated by the subsidiary Port Authority Transit Corporation between Lindenwold, New Jersey and

16th and Locust Streets, Philadelphia. It was the world's most modern and most automated system when opened in 1969 and is the prototype for more recent systems elsewhere.

**Port Promotion** services are provided by the Authority's World Trade Division which maintains field offices in this country, Europe, South America and the Far East. These offices are manned by specialists in traffic and maritime trade. They solicit trade for Ameriport, the ports of the Delaware River, and provide shippers with the technical information useful in utilizing the Port. The Division also represents Port interests through litigation involving rates, preferences, rebates and similar matters.



## Bridges

Traffic on the Benjamin Franklin and Walt Whitman Bridges during 1973 totaled 52,211,276 vehicles, an increase of 753,232 or 1.46 percent over the 51,458,044 count for vehicles utilizing the two spans in 1972. The Benjamin Franklin Bridge carried 21,861,376 vehicles, a decrease of 575,320 or 2.56 percent from the 22,436,696 a year ago; while the Walt Whitman span carried 30,349,900 vehicles, an increase of 1,328,552 or 4.58 percent over the 29,021,348 count of 1972.

Total traffic carried by these two spans since they were opened to traffic reached 1,334,459,581 vehicles, a vivid illustration of the role they have played in the growth of the Delaware Valley. During the Benjamin Franklin's forty-seven years of operation, since it opened to traffic on July 1, 1926, it has accounted for 68 percent of this total or 913,210,157 vehicles. An interesting sidelight of this statistic is that it includes 5,003 horse drawn vehicles, the last of which crossed the Benjamin Franklin Bridge in March 1960.

The Walt Whitman span continued to grow at a much faster rate than its counterpart facility. In the seventeen years since its opening, on May 16, 1957, the Walt Whitman's traffic has aggregated 421,249,424 vehicles. By contrast, the Benjamin Franklin Bridge did not attain this aggregate traffic total until its twenty-eighth year of operation. However, the Benjamin Franklin still retains two traffic records for vehicular crossings: the highest yearly total of 32,198,966 vehicle crossings in 1957, and the busiest single day of 119,132 crossings, on Sunday, July 12, 1955. The highest single day traffic for 1973 occurred on Friday, July 20, when 109,054 vehicles crossed the Walt Whitman Bridge.

The Port Authority Police Bureau's continued active enforcement of traffic regulations was reflected in an excellent 1973 safety record. The number of accidents occurring on our Bridges in 1973 was 8.1 percent less than in 1972 and more than 215 million passenger miles were traveled over our facilities with no fatalities as a result of vehicular accidents. Consistent with our efforts to control speeds and provide safe passage for our patrons, a total of 3,170 traffic summons were issued. Bridge Police provided around-the-clock service to patrons whose vehicles became disabled or involved in accidents on our facilities. Authority police vehicles traveled 1,122,077 miles during the course of their patrols and assisted 7,276 disabled vehicles, an average of 20 per day. 6,716 vehicles were provided towing services by Authority owned equipment, with no charge made to the motorists.

"Toll Collection on the Move" would best typify the giant step forward the Authority took in 1973 through initiation of a unique concept of

automated toll collection. Toll collection serves as the Authority's main contact with the motoring public, and it is in our plaza areas that the basic image of the Authority is established. With this in mind, the Authority undertook a massive program of modification of existing toll plazas and installation of specialized equipment so as to achieve an automated computerized toll collection system designed primarily for commuters. The new system is designed to process most effectively large volumes of traffic during peak traffic hours and to minimize personnel levels during off-peak hours. Our Bridges are the first to use optical scanning of reflectorized labels in conjunction with automatic coin machines to automatically process commuter traffic.

Since 93.7 percent of our traffic falls into categories which can use our automatic lanes, we believe that the system is the most effective and efficient mode of toll collection for our facilities; and it will prove to be a model for other agencies desiring to automate toll collection.

As in the past, bridge roadway and grounds maintenance continued to be a challenging task covering a wide range of activities, from major structural repairs and electrical modifications to snow and debris clearance. As part of this continuing effort to maintain facilities at the highest level of safety and efficiency, several projects of relatively prime operational importance were undertaken by the Authority's maintenance forces. One such project was the installation at the Benjamin Franklin Bridge of a new 150 kw emergency generator to provide backup energy for the entire traffic control system, the toll plaza complex, and the aerial and navigational beacon lights. It will insure continuity of service during emergency conditions, and increased safety for our bridge patrons.

In another major effort, our maintenance forces carried out the most comprehensive inspection of the suspension system in the Benjamin Franklin's forty-seven year history. The program was designed to give special attention to suspender ropes and their connection with the main suspension cable. Since the clamps used in these connections have never been removed, the inspection was a most difficult task to perform. The 1974 portion of the program will involve the removal and replacement of a suspender rope and the full inspection and testing of the wire. Work of this type indicates the Authority's progressive attitude towards maintaining its bridges to the highest standard possible.

Design and construction efforts, although heaviest in connection with the new Commodore Barry and Betsy Ross Bridges, were also significant in support of the older bridges.

Resurfacing and bridge deck repair programs continued throughout 1973. 47,575 tons of asphalt were placed in resurfacing of the Pennsyl-

vania and New Jersey approach roadways to the Walt Whitman Bridge at a cost of \$1,088,915.00. This work completed a comprehensive two-year program under which the Authority resurfaced approximately 50 lane miles of roadway at the Walt Whitman Bridge, spanning from the Black Horse Pike and the North-South Freeway in New Jersey to the Schuylkill Expressway in Philadelphia. A portion of the New Jersey approach roadway was completely rebuilt to include the installation of a new 32-inch high white concrete medial barrier conforming to the latest design standards. All of this work was carried out without traffic interruption, through the effective use of detour, strict scheduling and much nighttime construction.

Here, as in all phases of the Authority's operations, safety was the dominant theme.

The Walt Whitman also took on a different appearance in 1973 as a result of the Authority's initial step to paint its Bridges in appealing colors. Departing from the traditional gray, the bridge was painted a very attractive shade of green, officially known as "antique bronze". Between March 12 and December 1, 1973, workmen applied 21,000 gallons of paint to the 62,000 tons of steel making up the Bridge and its thirteen approach structures. This marks the third time the bridge has been completely repainted since it opened to traffic seventeen years ago.

The planning and construction of improved connections between our bridges and the regional highway system moved ahead. At the Benjamin Franklin Bridge, the New Jersey Department of Transportation let contracts totaling \$12.4 million for construction of limited access highways connecting the bridge plaza with the North-South Freeway (I-76) and the East-West connector to the Admiral Wilson Boulevard in Camden. This project, due for completion in December 1975, will relieve a serious bottleneck which presently requires bridge

patrons to utilize the local street system in Camden as the eastern approach to the Bridge.

In Pennsylvania, the Franklin will have a limited access connection to the proposed extension of the Vine Street Expressway which is planned to serve as a crosstown interconnection between the Schuylkill and Delaware Expressways. During 1973, the Pennsylvania Department of Transportation made progress in developing the design plans and acquiring the right-of-way for the extension of the Vine Street Expressway eastward to the proposed Delaware Expressway and the Benjamin Franklin Bridge. A major part of this much needed improvement will be the construction of the interconnection between these three major highway arteries.

The construction of the Delaware Expressway as it passes under the Benjamin Franklin Bridge approach viaduct poses many difficult and interesting engineering problems. The geometrics and elevation of the new expressway are critical factors in the design which have resulted in the relocation of the Frankford Elevated Railway and structural modification to the PATCO's primary electrical substation. Authority engineers have been actively involved in the planning and design of these major highway systems and interchanges.

The Delaware Expressway will also interconnect with the Walt Whitman Bridge approaches in Pennsylvania. This interchange has been under construction for two full years and is now nearing completion. The work, under the control of the Pennsylvania Department of Transportation, involved the relocation of several existing Bridge ramps as well as the construction of several new connector ramps. Continual coordination between the Authority and the Pennsylvania Department of Transportation was required to maintain safe traffic conditions during this major construction period.

#### FIVE YEAR TRAFFIC STATISTICS

	Benjamin Franklin Bridge	Walt Whitman Bridge	Total
1969	23,825,477	30,367,688	54,193,165
1970	23,128,870	30,416,187	53,545,057
1971	22,754,909	30,824,073	53,578,982
1972	22,436,696	29,021,348	51,458,044
1973	21,861,376	30,349,900	52,211,276

#### Cumulative Figures

Benjamin Franklin Bridge — 7-1-26 to 12-31-73 . . . . .	913,210,157
Walt Whitman Bridge — 5-16-57 to 12-31-73 . . . . .	421,249,424
COMBINED . . . . .	1,334,459,581

## Port Authority Transit Corporation

1973 — the year the term "energy crisis" became reality. Yet the Delaware Valley was home for one of the Nation's best examples of energy conservation: PATCO and its patrons.

Motorists using PATCO were each saving from 400 to 600 gallons of gasoline a year. Rush hour PATCO trains were delivering 115 passenger miles per gallon of fuel compared with the 19 passenger miles per gallon of the private automobile.

Conservatively estimated, PATCO's operations in 1973 led to a net energy savings for the region of one million gallons of gasoline.

**Traffic:** That the automobile and PATCO continued to enjoy wedded bliss was demonstrated by the 10,127,076 passengers who rode the "Hi-Speed Line" in 1973, 90% of whom arrived at PATCO stations by auto, despite the transport of New Jersey feeder-bus service inaugurated in late 1972.

Indeed, 40% of PATCO's patrons parked at its six suburban New Jersey stations. This meant that 1,951,000 automobiles were kept out of already-crowded downtown streets, a fact that made everyone breathe a little healthier, if not easier.

Parking availability is directly related to PATCO's potential for traffic growth. In 1973, with 8,200 of 8,600 spaces filled each weekday, and *all* spaces at several key stations filled by 9:00 a.m., the need for more parking was acute. As the year drew to a close, paint brushes were at work creating more small car spaces. But this was only a palliative. The cure — a Federally-funded major parking expansion — was still two years away.

PATCO's 1973 traffic produced a net operating income of \$206,613, even though two strikes caused ridership to fall 7.5% below the 1972 level. Thus, for the second consecutive year, PATCO earned sufficient income to pay all of its operating and maintenance expenses, a unique feat in the rail transit industry. Depreciation and interest charges in the sum of \$7.7 million were borne by DRPA.

Traffic in 1974 is expected to rebound almost 14% to the 11,500,000 level. This will represent a net real growth of some 6.5% over 1973. To help insure this growth, marketing efforts are underway to encourage increased evening and weekend riding, periods when ample parking is available. Also, attempts will be made to achieve meaningful improvements in feeder and connecting transport services through contacts with the responsible agencies.

In these times of spiraling inflation, it is

incumbent upon PATCO to insure its fare structure reflects real costs. To this end, fares were increased an average of 21% on April 16, 1972. This had been the first fare increase since the transit line opened in January/February, 1969.

On June 13, 1973, an Interstate Commerce Commission administrative law judge ordered PATCO fares rolled-back to pre-increase levels. An exception to the roll-back order was filed, and present fares remain in effect pending further consideration of new arguments.

**Employee Relations:** On May 31, 1973, the Agreement between PATCO and Teamsters Union Local No. 676, covering wages, fringe benefits and working conditions for about one-half of our employees, expired. Negotiations for a new contract had begun on April 17, and although many issues had been mutually resolved, several of substance remained. At 12:01, June 18, Union-represented employees instituted a strike action against PATCO.

The strike was terminated on June 23, in compliance with an Order of the Superior Court of New Jersey. Furthermore, the Court permanently enjoined any strike against PATCO.

However, at approximately 10:30 a.m., July 25, 1973, a second walkout occurred.

PATCO supervisory employees kept the line operational until 8:00 p.m., to enable patrons to return to their automobiles. But then the line was closed by Court Order, "in the interest of public safety, welfare and convenience."

The Union and its officials were found guilty of contempt of the Order of the Superior Court prohibiting any strike against PATCO. Fines and jail sentences were imposed, and then suspended when a return to work was promised. Operations resumed at 12:01 a.m., August 10, 1973, following completion of necessary maintenance on cars, track and fare collection equipment. In total, the two strikes consumed 21.5 days.

As the year ended, no agreement had been reached between PATCO and the Union, and no labor contract was in existence. (A contract between PATCO and Teamsters Union Local No. 676 was finally ratified on April 18, 1974.)

Nonetheless, in December, 1973, a 7% increase in wages for hourly-rated employees was approved by the Commissioners, retroactive to June 2, 1973. A similar increase for non-represented, salaried employees had been approved in July, also retroactive to June 2, 1973.

Continuing efforts to equalize DRPA and PATCO employee benefits, the Commissioners approved a New Jersey Blue Cross/Blue Shield Major Medical Plan for all PATCO employees. And approval was also given for coverage on non-represented employees in the New Jersey Blue Cross/Blue Shield Prescription Drug Plan, together with the Non Member and Inter-Plan Hospital

Rider. These plans became effective January 1, 1974.

An Educational Refund Plan for employees was also approved by the Commissioners. This permits PATCO employees to improve their skills and acquire additional specialized knowledge to meet organizational needs.

**Operations and Maintenance:** A Federally-funded traction motor replacement program was completed in 1973. The program was necessitated by the wholesale failure of the original traction motors. The manufacturer undertook to rebuild all of the original motors, essentially creating a brand-new motor inside the original casing. Christened A-3, the new motors carry a three-year warranty, and are expected to satisfactorily withstand the rigorous PATCO service requirements.

For many months it had been evident that the portion of the Automatic Fare Collection system used to control system entry and egress was functioning less reliably than desired. In the Spring of 1973, a contract was issued to design and install certain modifications aimed at increasing reliability and reducing maintenance costs.

In July 1973, the contractor announced it was going out of business and would be unable to perform its contract with PATCO. Faced with this situation, PATCO has developed performance specifications for a new generation of automatic fare collection equipment more suited to its needs. Bids on this new equipment will be received early in 1974. Funding will be two-thirds Federal.

Continuing reliability problems with the automatic couplers on our transit car fleet has led to the decision to replace them with ones of proven reliability. This program, also Federally-funded, will be undertaken in 1974.

In spite of its problems, PATCO's record of reliability for its patrons was maintained in 1973. A total of 94,308 one-way scheduled train trips were operated. An "on schedule" performance of 98.55% was achieved. This high standard of performance has come to be the expected "norm" for PATCO operations. It reflects the truly dedicated efforts of PATCO employees.

PATCO and its employees again achieved the highest level of productivity in the transit industry in 1973. An average of 166 passengers per weekday per payroll employee were carried. This level of productivity is expected to be increased in 1974.

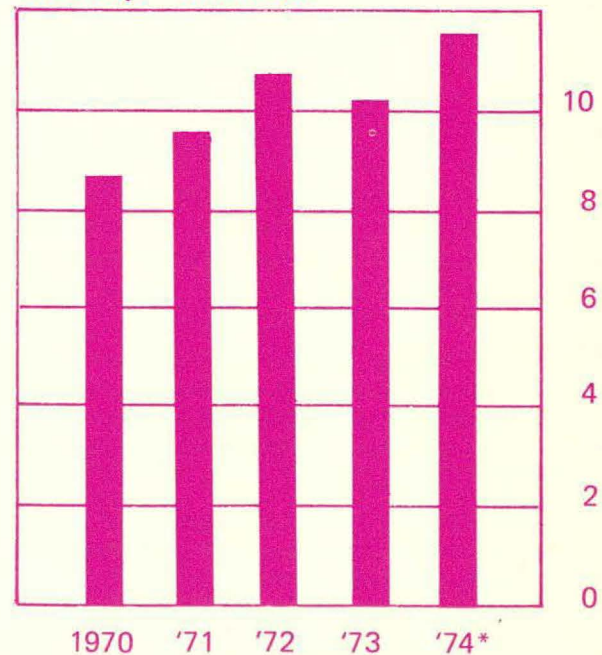
In retrospect, 1973 has been a year of transition for PATCO. The shake-down cruise has ended. The goals now are to maintain and improve what has been widely hailed as the best working example of a modern, efficient public transportation system. Visitors from throughout

the nation and the world continued to come during 1973 to learn the lessons DRPA's showcase transit line has to offer.

And most importantly, "Hi-Speed Line" patrons continue to know "PATCO cares." Throughout the year, rider-PATCO rapport was cultivated in such diverse ways as free coffee and donuts on New Year's Eve, prompt refunds when required, periodic issues of "PATCO Patter" and "PATCO Guideline" to keep them informed, and written apologies when the rare delay did occur.



**PATCO**  
Ridership – In Millions



\* Estimated

## World Trade

The new all-time high in foreign cargo of 79,346,905 tons was 15,376,677 tons greater than the 1972 total. It is the largest one-year increase of modern times and it eclipses the 13,650,614-ton total improvement of the previous decade.

In addition to a general cargo record of 6,436,441 tons, grain exports of 97,408,432 bushels were the best ever and containerized cargo rose to 1,050,000 tons, nearly double that of the previous year.

This array of pluses paved the way for total waterborne commerce (foreign, plus domestic) to post its highest mark, about 136 million tons. It is estimated that the direct economic impact of this trade upon the Delaware Valley area is \$1.2 billion, with total impact approximating \$3.6 billion.

The latest study of port-dependent industries in 11 counties of lower Delaware Valley (Bucks, Philadelphia, Montgomery, Delaware and Chester in Pennsylvania; Mercer, Burlington, Camden, Gloucester and Salem in New Jersey; and New Castle in Delaware) showed that they employed one out of every three workers in industry, or 250,000 wage earners with total wages of \$2 billion.

Ameriport's strong performance in 1973 enabled it to retain its position as the world's third-busiest seaport. The number of ships arriving in the Delaware River during the 12-month period was 5127, or 10.6 percent of the total arrivals at the busiest ports in the United States. In 1972, the Ameriport total was 5128.

A decline of just one vessel at a time when sizable reductions in traffic could be expected because of the universal trend to larger ships is noteworthy. Very large cargo ships are economical to operate. Modern container vessels, for instance, are generally 2.5 to three times the size of conventional freighters, while bulk liquid ships today have five to six times the capacity of their predecessors.

The emphasis upon giant-sized vessels has been pronounced since the closing of the Suez Canal, which has made it necessary for tankers in the Middle East run to take the much longer route via the Cape of Good Hope on the southern tip of the African continent. The development has a strong influence on Ameriport and its port-related industries because approximately 50 percent of all Arabian oil imported into the United States comes to the Delaware River.

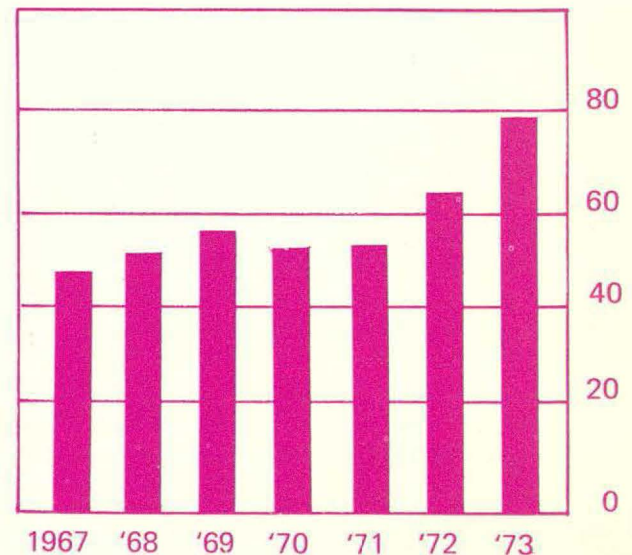
The Port Authority has been stressing the importance of developing terminals to accommodate the modern tankers which are getting too large to use most existing harbors. Our views have been expressed at public hearings.

Another of the indicators of the changed



### AMERIPORT'S FOREIGN TRADE

Short Tons -- In Millions



climate of world shipping is that the new registered tonnage of vessels entering Delaware Bay was 52,542,149 vs. the 1972 figure of 49,142,748 tons. In other words, one ship less, but an increase of 3,399,401 in vessel tonnage.

The flag of Liberia was the most prominent foreign ensign in Ameriport in 1973. It was flown by 927 vessels. Other prominent foreign representations included 438 Greek, 424 Norwegian, 306 British, 228 German and 36 Russian.

The latter flag is expected to be seen more often in the years ahead as a result of a concentrated effort by DRPA's World Trade Division to increase trade with the Soviet Union.

Meetings were held in Moscow with the three primary agencies responsible for the development of international trade. Assurances were obtained that Philadelphia and other ports of the Delaware will be the focus of Russian Trade on the East Coast, although a large volume of general cargo is not anticipated for some time. It is believed that the main inbound commodity will be glass and that the principal item of export will be steel.

In September, the World Trade Division re-established a trade office in Philadelphia. As part of an economy program, our previous office there, which had also served as headquarters of the Division, was vacated in 1972 in favor of DRPA space in Camden. However, experience with that arrangement proved the need for representation closer to the local shipping community. The new office is staffed by three Operational Managers responsible for the major trading areas of the world, South America, Europe and the Far East.

Other regional offices are located in New York City, Chicago, the District of Columbia, Pittsburgh, London, Antwerp, Milan, Bogota, Tokyo and Hong Kong.

World Trade Division expenses for 1973 amounted to \$1,075,658, a slight increase over the \$1,060,946 expended in 1972. The outlay represented 2.5 percent of DRPA's total expenditures for the year.

## Finance

For the year 1973, total operating revenue amounted to \$38,359,925 as compared with \$35,289,924 for the preceding year, or an increase of 8.7%. Total operating and general administration expenses were \$16,601,440 resulting in a net operating revenue of \$21,758,485, or an increase of 12.0% over 1972. This increase, in part, reflects the first full year Revenues under the present toll schedule adopted on April 1, 1972.

Interest income on investments in the Revenue, Bond Service and Bond Reserve Funds amounted

to \$3,097,256, an increase of \$973,855 over the 1972 figure of \$2,123,401. This increase was a result of generally higher interest rates available throughout the year as well as constant close scrutiny of our investment program. All investments of the Port Authority were made in accordance with the 1969 Bond Resolution and reflect continued prudent investment management by the Finance Division.

As a result of the refunding of the Series 1970 Revenue Bonds which was accomplished in the latter part of 1972 the total interest on "outstanding" funded debt for the full year 1973 amounted to \$18,945,502. This produced a net revenue available for other Port Authority activities of \$5,910,239. With the \$951,943 other income, net, the 1973 net income amounted to \$6,862,182 which compares with \$6,919,225 for 1972.

## THE DOLLAR — 1973

### Income

#### Operating Revenue



### Expenses

#### Interest



## IN MEMORIAM

C. H. McWilliams, Deputy Executive Director and Secretary of the Authority, died suddenly on November 4, at the age of 63.

Mr. McWilliams joined the Port Authority in 1958 as Treasurer and was elected Secretary two years later. In 1971 he became Deputy Executive Director as well as Secretary, and from January 1971 through April 1972 he served as Acting Executive Director.

Our deepest sympathy goes out to his wife, Helen, and daughter, Lynne.

A resolution memorializing Mr. McWilliams has been placed into the minutes of the Authority and a copy sent to his family.

## Environment

The Authority's involvement in environmental concerns extends both to current operations and to the design and development of future projects.

Its influence on the quality of the regional environment, particularly since the opening of the high speed line in 1969, has been considerable. The innovations achieved by modern highspeed transit have convinced many thousands of commuters to substitute cleaner, more efficient mass transit for the prodigal waste and collective pollution of individual autos.

The 8800 parking spaces of the Lindenwold High Speed Line's suburban stations, 93 percent utilized on weekdays, represent fuel saved, air contaminants prevented, congestion eased — both on highways and in center city — and reduced demand for meager midtown parking in Philadelphia.

The equivalent of four more lanes of highways and bridges would be required to handle this traffic in peak hours. It has been calculated that this switch to mass transit has reduced pollution of the area atmosphere annually by approximately 3,400 tons of gases and particulates.

With the energy crisis which developed during 1973, it is significant to note that mass transit delivers 115 passenger miles per gallon of fuel as compared to a private auto which delivers only 19 passenger miles per gallon during an average peak hour. On this basis, motorists using PATCO save from 400 to 600 gallons of gasoline a year.

Mass transit also promotes improved utilization of land, permitting higher densities of population and more efficient concentration of development thereby avoiding wasteful, land-consuming sprawl.

Planning for improvements and extensions of the speed line proceeded during 1973 in full coordination with local and regional officials so that all environmental considerations are duly recognized.

Another noteworthy step in this direction was the decision near year's end to encourage carpooling through a reduced rate for bridge tolls. Scheduled to become effective January 1, 1974, this carpool rate was expected to induce many additional motorists to cooperate in both conserving fuel and in reducing the number of one-occupant vehicles on our highways and in our cities.



## Training

The turnover of personnel at the Authority has been historically low. Consequently, formal training programs have been limited largely to areas where specialized knowledge of Authority operations or functions is required, or to programs designed to expand opportunities for permanent employees.

The most intensive training provided individual employees is the 12 weeks of schooling required of all police recruits. Special arrangements have been made to enroll new recruits in the Camden Police Academy where training in all phases of police work is carried out under qualified and experienced instructors. While it was only necessary to enroll two officers in the Academy in all of 1973, it is estimated that, because of new facilities opening next year, approximately 35 new police will be trained there in 1974.

All employees are encouraged to keep abreast of advancements in knowledge or the development of new techniques through job-related seminars. Four attended such seminars last year on the topics of port planning, graphics, equal opportunities employment and architectural design.

The Authority also underwrites a program to aid employees in securing undergraduate degrees through night courses in area colleges and universities. It assumes both tuition and the cost of books. During the year, six employees were enrolled in the program and are acquiring degree credits in Economics, Accounting, Management and Interstate Commerce Law and Practice.

More explicit training for many Port Authority Transit Corporation Employees is required by the nature of their responsibilities. Train operators for PATCO undergo a three-week training period, one week in class and two weeks working under operating conditions, directly supervised by experienced operators. This is followed by 30 days of supervised trial operation after which the candidates must pass an examination. Ten new operators qualified last year.

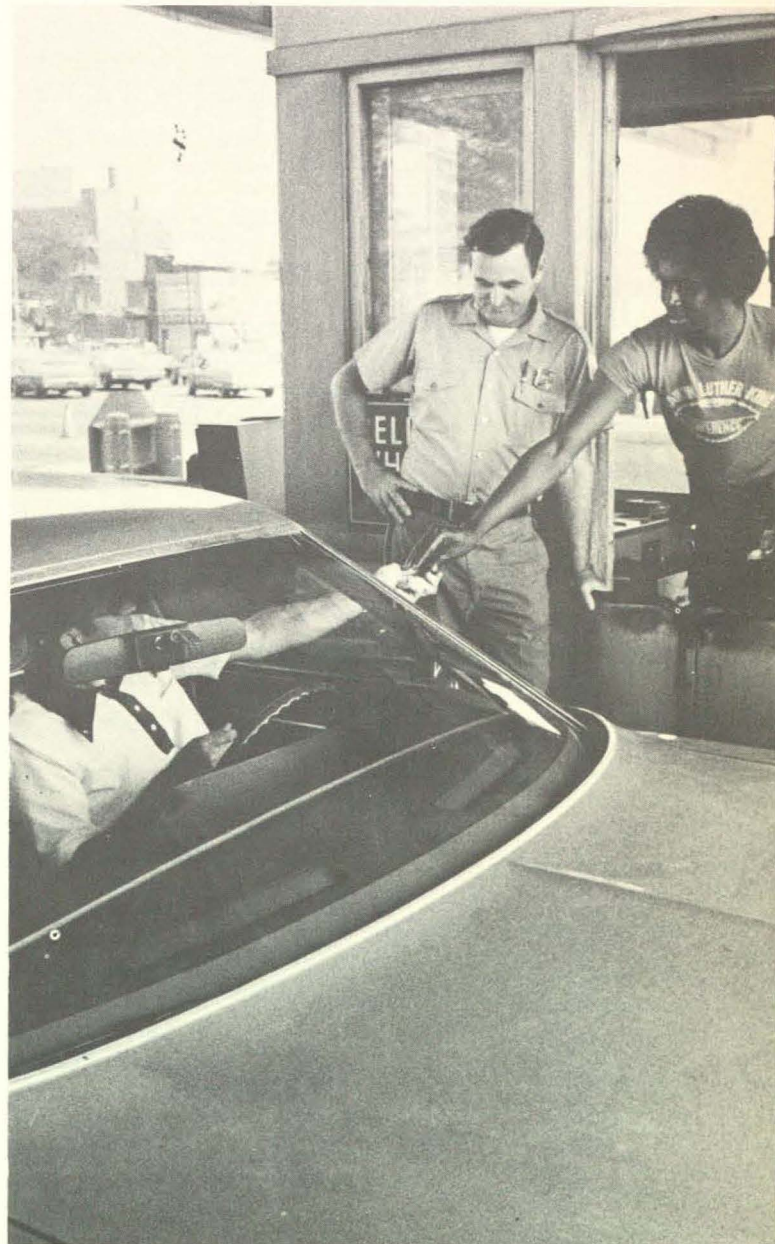
PATCO carries out an ongoing program of supervisor training in which four supervisors annually participate in a two-week course at Northeastern University in Massachusetts. The course concentrates on transportation management.

A senior supervisor is selected annually to attend the professional program in urban transportation sponsored by the U.S. Urban Mass Transportation Administration and presented by the Transportation Research Institute of Carnegie Mellon University of Pittsburgh. The six-week course includes four weeks of classroom work and a two-week work/study tour of foreign transit systems.

Men with the proper experience and qualifications who are promoted to supervisor receive three weeks of indoctrination, while dispatchers receive four weeks of training working under operating conditions and the scrutiny of experienced personnel. Six new dispatchers were trained during 1973.

PATCO police participate in special seminars, when available. In addition, police, revenue collectors and station supervisors must qualify annually with firearms.

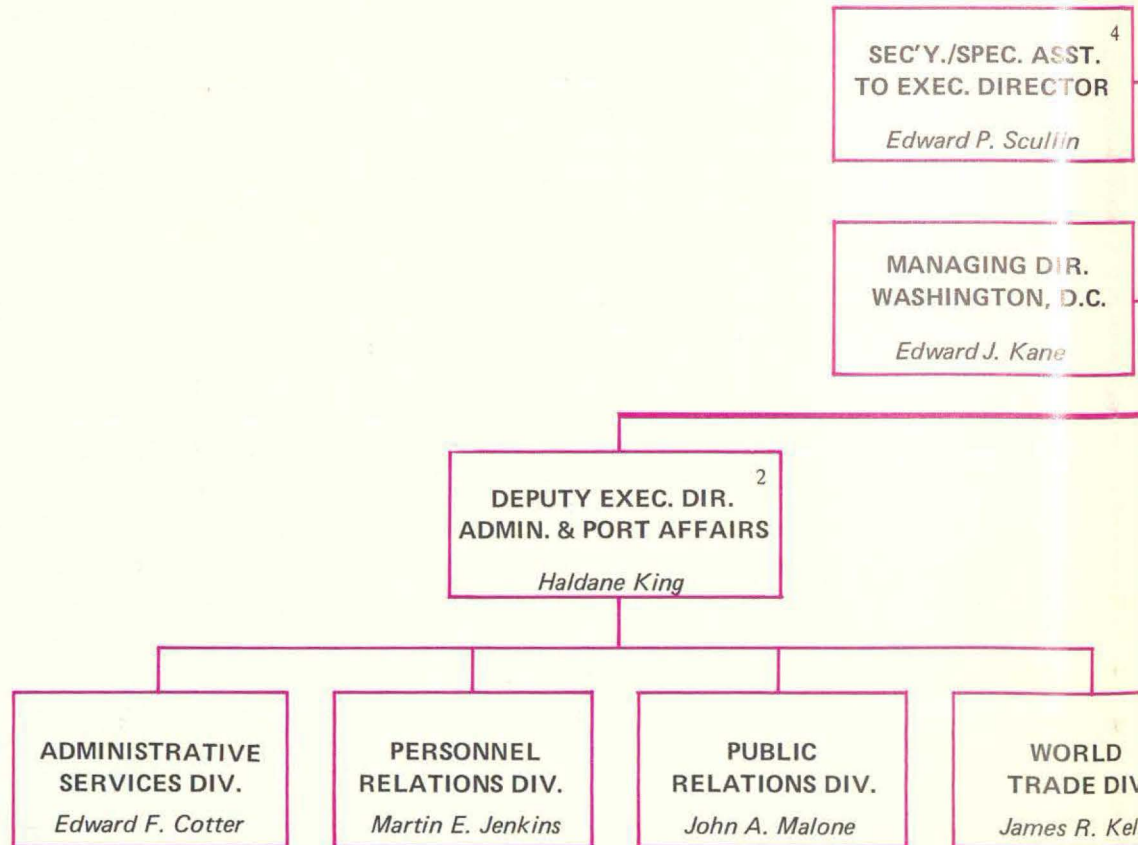
The most comprehensive program, however, is the annual, in-house reinstruction program that is mandatory for all operators, dispatchers and supervisors. It is a one-day program of review which assures that all persons essential to the safe and efficient operations of the system are familiar with new techniques and developments.



# Delaware River Port Authority of Pennsylvania and New Jersey

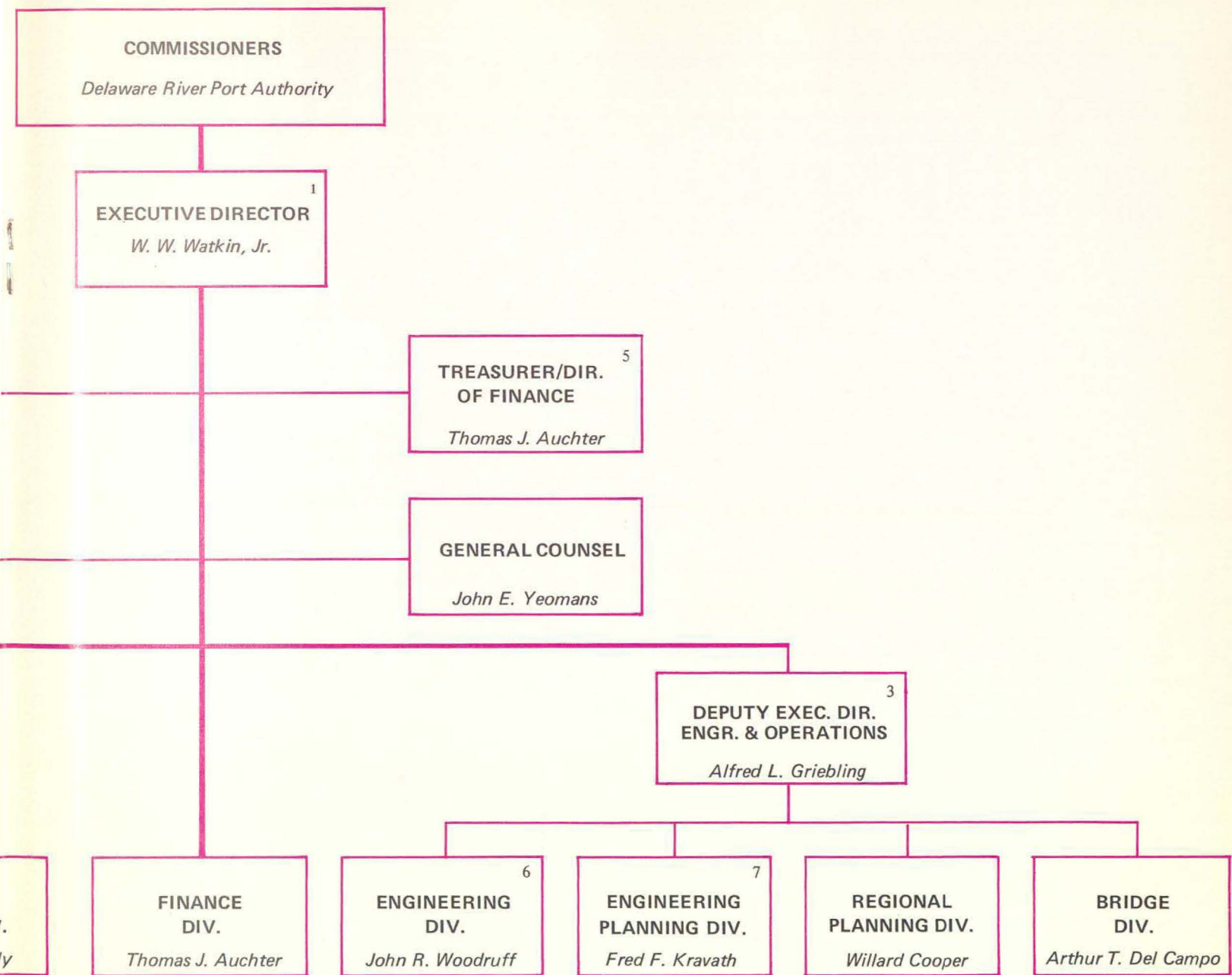
## Organization Chart

December 31, 1973



### Port Authority Transit Corporation (PATCO)

GENERAL MGR., *R.B. Johnston*  
ADMIN. ASST. TO GEN. MGR., *J.A. Lane*  
ASST. GEN. MGR. & SUPT., TRANSPORTATION, *R.S. Korach*  
SUPT. EQUIPMENT, *J.W. Vigrass*  
SUPT. WAY & POWER, *D.R. Wolfe*  
MGR. PURCHASING & MATERIAL, *L.E. Johnson*  
PERSONNEL MANAGER, *E.J. Fager*  
CONTROLLER, *G.W. Emerick*  
SUPT. SAFETY & INSURANCE, *H.C. Collings*



1. ALSO PRESIDENT PATCO
2. ALSO VICE PRESIDENT PATCO FOR PERSONNEL AND ADMINISTRATION
3. ALSO VICE PRESIDENT PATCO FOR ENGINEERING AND OPERATIONS
4. ALSO SECRETARY OF PATCO
5. ALSO TREASURER OF PATCO
6. ALSO CHIEF ENGINEER FOR DRPA
7. ALSO SPECIAL CONSULTANT FOR DRPA

## Toll Hearings

---

The Authority's 1972 action to strengthen its financial position by adopting a new toll schedule received a temporary setback on the very first working day of the new year.

The schedule, increasing the basic automobile toll from 50 cents to 60 cents, went into effect April 1, 1972, and was immediately challenged by the City of Philadelphia, Transport of New Jersey, an interstate bus firm and others.

Public hearings were held in Philadelphia from September 28 to October 7, 1972 to decide if the tolls were just and reasonable. Hearing Judge Louis G. La Vecchia was assigned to conduct the hearings and submit his recommendations to the Federal Highway Administrator.

On January 2, 1973, Judge La Vecchia issued his findings, concluding that the Port Authority had failed to justify higher tolls and that additional revenue was not required. He recommended to the Federal Highway Administrator that tolls be rolled back to the schedule in effect prior to April 1, 1972.

Attorneys for the Authority immediately branded the opinion erroneous both as to fact and law, stating that "... The Administrative Judge has substituted his feelings for the opinions of qualified experts in critical technical areas."

The Authority filed exceptions to the findings on February 14, noting that the tolls were increased to provide bond service coverage in future years and to permit the issue and sale on reasonable terms of revenue bonds needed to finance new facilities.

In a 20-page report issued June 4, Federal Highway Administrator Norbert Tiemann recommended a 10-cent reduction in tolls, but scheduled a further hearing before ordering any change. Later in the month, however, the Administrator issued a supplementary order abandoning his recommendation for a roll-back, explaining it had been based on mathematical miscalculations.

Administrator Tiemann held a second hearing on June 29, a few days after he had suggested consideration of alternative toll schedules, including: elimination of the commuter rate; roll-back of the straight toll to 50 cents; and partial roll-back of both straight and commuter tolls. At the hearing, he asked the Authority to study the possibility of lower tolls for carpools and buses to encourage mass transit and to reduce the use of autos.

Testimony was presented by the Authority, the City of Philadelphia, the Keystone Auto Club and the Auto Club of South Jersey. Mr. Tiemann said he would study the issues and prepare a report.

The report was issued on November 5, and directed that effective 12:01 a.m., January 1, 1974, the straight toll for passenger automobiles would be reduced from 60 to 50 cents and bus tolls would be cut from 75 to 50 cents. The 35-cent commuter toll was left unchanged. The Administrator stated that the 50-cent toll would make carpooling more attractive.

The Authority announced it would appeal the decision, and on November 14, the Finance Committee authorized Authority attorneys to ask Administrator Tiemann to reconsider his order. A formal request, filed on November 29, argued that the Federal Highway Administration had acted "arbitrarily, capriciously and abused its discretion."

This was followed on December 5 by an action filed in the United States District Court, asking that the U.S. Department of Transportation be restrained from enforcing the November 5 toll rollback order, claiming that the order failed to take into account losses which will be sustained by reason of delayed completion of connections between I-95 and the Betsy Ross and Commodore John Barry Bridges.

The Finance Committee, meanwhile, had been reviewing alternative toll arrangements to encourage carpooling, as had been suggested by Administrator Tiemann.

On December 11, Chairman Cornell, Vice-Chairman Bunting and Executive Director Watkin met in Washington, D.C. with Administrator Tiemann and proposed the substitution of an alternative toll schedule for that which had been directed by the administration. The schedule proposed by DRPA provided a special carpool rate of 25 cents, through the sale of a book of 40 tickets for \$10, and changed the charge for non-carpool commuters to \$12 per one-month plus 10 cents per trip. It also reduced bus tolls from 75 cents to 50 cents per axle.

A resolution, officially adopting these changes, was approved at the monthly meeting of Commissioners on December 19, to become effective on January 1.

The following day, December 20, the Federal Highway Administration approved implementation of the new schedule on a temporary basis. In return, the Authority dropped its law suit against the Administration and agreed to give the Administration five months advance notice of any contemplated future toll schedule changes with at least two months notice of the actual amount of the change.

The new tolls were put into effect at 12:01 a.m., January 1, 1974.



LAVENTHOL KREKSTEIN HORWATH & HORWATH

CERTIFIED PUBLIC ACCOUNTANTS

1845 WALNUT STREET  
PHILADELPHIA, PA. 19103  
215-491-1700

OFFICES THROUGHOUT THE WORLD

Delaware River Port Authority  
Camden, New Jersey

We have examined the balance sheet of Delaware River Port Authority as at December 31, 1973 and the related statements of revenues and expenses and of changes in fund equities for the year then ended. Our examination 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.

In our opinion, the financial statements referred to above present fairly the financial position of Delaware River Port Authority at December 31, 1973 and the results of its operations and changes in fund equities for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Laventhal Krekstein Horwath, Horwath*

February 22, 1974

# Statement of revenues and expenses

Years Ended December 31, 1973 and 1972

	1973		1972	
<b>OPERATING REVENUES &amp; EXPENSES (NOTES 1, 5 &amp; 6):</b>				
Bridge tolls	\$32,530,769	\$	\$29,235,484	\$
Bridge operating expenses	<u>6,907,748</u>	25,623,021	<u>6,727,851</u>	22,507,633
Transit system passenger fares	5,540,257		5,740,644	
Transit system operating expenses including depreciation of \$2,130,327 in 1973 and \$2,108,743 in 1972	<u>7,704,393</u>	( 2,164,136)	<u>7,418,993</u>	( 1,678,349)
Loss on Chester-Bridgeport Ferry (Note 5)		( 448,894)		( 378,856)
Other operating revenues, including \$256,833 in 1973 and \$284,730 in 1972 from transit system		<u>288,899</u>		<u>313,796</u>
		23,298,890		20,764,224
<b>GENERAL ADMINISTRATION EXPENSES:</b>				
Salaries, including employee benefits	1,026,350		993,902	
Other	<u>514,055</u>	<u>1,540,405</u>	<u>337,335</u>	<u>1,331,237</u>
Operating revenues in excess of expenses		21,758,485		19,432,987
Interest income on investment in securities of the Revenue, Bond Service and Bond Reserve Funds		3,097,256		2,123,401
<b>INTEREST ON FUNDED DEBT:</b>				
1969 First Series Revenue Bonds	7,741,425		7,741,425	
Series 1970 Revenue Bonds (Note 6)	—		4,309,861	
Series 1972 Revenue Bonds	6,550,381		4,330,919	
Series 1972 Refunding Revenue Bonds	<u>4,653,696</u>	( 18,945,502)	<u>943,893</u>	( 17,326,098)
Revenues in excess of expenses before other income		5,910,239		4,230,290
<b>OTHER INCOME, NET:</b>				
Interest on funded debt:				
Series 1970 Revenue Bonds (Note 6)	( 5,425,000)		( 1,115,139)	
Series 1972 Special Obligation Bonds	<u>( 1,704,981)</u>		<u>( 345,727)</u>	
	( 7,129,981)		( 1,460,866)	
Other interest income on investment in securities	10,354,148		5,073,440	
Repaving of approaches to Walt Whitman Bridge	( 1,076,446)		—	
World trade development expenses, including salaries and employee benefits of \$674,609 in 1973 and \$671,917 in 1972	( 1,075,658)		( 1,060,946)	
Port facilities studies	( 120,120)		—	
Gain on sale of property	<u>—</u>		<u>137,307</u>	
		951,943		2,688,935
Net income		<u>\$ 6,862,182</u>		<u>\$ 6,919,225</u>

See notes to financial statements

# Balance Sheet

December 31, 1973 and 1972

	Capital Fund	Revenue Fund	Bond Service Fund
<b>ASSETS</b>			
Cash (Notes 2 and 5):	\$ —	\$ 449,779	\$ —
Investment in securities (Notes 1, 3 and 6)	—	16,925,372	11,854,957
Accrued interest receivable	—	465,771	147,825
Accounts receivable (Note 4)	—	8,879	—
Transit system inventory (Note 1)	—	—	—
Prepaid expenses	—	315,889	—
Investment in facilities (Notes 1 and 5):			
Benjamin Franklin Bridge	43,722,086	—	—
Walt Whitman Bridge	86,823,044	—	—
Southern New Jersey Rapid Transit System, net of accumulated depreciation, 1973, \$9,382,396; 1972, \$7,262,560 (Notes 2 and 3)	91,746,530	—	—
Southern New Jersey Rapid Transit System, first phase capital improvement program	—	—	—
Commodore Barry Bridge	163,233	—	—
Betsy Ross Bridge	1,023,474	—	—
Chester — Bridgeport Ferry, net of accumulated depreciation, 1973, \$1,193,132; 1972, \$1,044,416	154,954	—	—
	<u>223,633,321</u>	<u>—</u>	<u>—</u>
Future extensions to Southern New Jersey Rapid Transit System study (Note 1)	18,588	—	—
Port facilities studies, at cost	—	—	—
	<u>\$223,651,909</u>	<u>\$ 18,165,690</u>	<u>\$ 12,002,782</u>
<b>LIABILITIES AND FUND EQUITIES</b>			
Accounts payable:			
Contracts	\$ —	\$ —	\$ —
Retained amount on contracts	—	20,127	—
Other	—	407,129	—
	<u>—</u>	<u>427,256</u>	<u>—</u>
Accrued liabilities:			
Interest	—	—	8,655,911
Pension	—	112,764	—
Sick leave benefits	—	1,274,182	—
	<u>—</u>	<u>1,386,946</u>	<u>8,655,911</u>
Deferred income on truck tickets	—	496,456	—
Reserves (Note 1):			
Replacements and repainting	—	1,126,879	—
Self-insurance (Note 3)	—	—	—
	<u>—</u>	<u>1,126,879</u>	<u>—</u>
Funded debt (Notes 1 and 6)	113,842,612	—	—
Commitments and contingent liabilities (Note 7)	—	—	—
Fund equities (deficiency)	109,809,297	14,728,153	3,346,871
	<u>\$223,651,909</u>	<u>\$ 18,165,690</u>	<u>\$ 12,002,782</u>

See notes to financial statements

Bond Reserve Fund	Escrow Deposit Fund	Bond Fund	Construction Fund	General Fund	Total	
					1973	1972 (Restated, Note 2)
\$ —	\$ —	\$ 2,876	\$ 5,761	\$ 188,947	\$ 647,363	\$ 733,843
24,912,830	107,555,000	104,776	27,112,195	14,153,410	202,618,540	235,024,996
389,782	3,008,975	—	781,705	356,887	5,150,945	3,963,851
—	—	—	577	948,463	957,919	1,715,632
—	—	—	—	754,627	754,627	761,786
—	—	—	—	210,997	526,886	337,885
—	—	—	1,263,020	—	44,985,106	43,650,420
—	—	—	313,903	—	87,136,947	86,748,068
—	—	—	—	101,132	91,847,662	94,202,667
—	—	—	—	336,185	336,185	36,032
—	—	—	114,273,308	—	114,436,541	86,023,449
—	—	—	94,103,873	—	95,127,347	83,597,782
—	—	—	—	127,866	282,820	345,924
—	—	—	209,954,104	565,183	434,152,608	394,604,342
—	—	—	—	422,817	441,405	289,818
—	—	—	—	—	—	120,120
<u>\$ 25,302,612</u>	<u>\$110,563,975</u>	<u>\$107,652</u>	<u>\$237,854,342</u>	<u>\$ 17,601,331</u>	<u>\$645,250,293</u>	<u>\$637,552,273</u>
\$ —	\$ —	\$ —	\$ 554,648	\$ —	\$ 554,648	\$ —
—	—	—	4,899,233	40,462	4,959,822	4,981,025
—	—	—	415,260	574,819	1,397,208	770,460
—	—	—	5,869,141	615,281	6,911,678	5,751,485
—	2,486,458	781,458	—	—	11,923,827	11,919,686
—	—	—	10,929	70,990	194,683	280,779
—	—	—	554	109,594	1,384,330	1,204,558
—	2,486,458	781,458	11,483	180,584	13,502,840	13,405,023
—	—	—	—	—	496,456	667,110
—	—	—	—	—	1,126,879	1,487,712
—	—	—	—	450,000	450,000	400,721
—	—	—	—	450,000	1,576,879	1,888,433
<u>23,630,262</u>	<u>108,051,837</u>	<u>—</u>	<u>170,661,115</u>	<u>—</u>	<u>416,185,826</u>	<u>416,125,790</u>
—	—	—	—	—	—	—
1,672,350	25,680	(673,806)	61,312,603	16,355,466	206,576,614	199,714,432
<u>\$ 25,302,612</u>	<u>\$110,563,975</u>	<u>\$107,652</u>	<u>\$237,854,342</u>	<u>\$ 17,601,331</u>	<u>\$645,250,293</u>	<u>\$637,552,273</u>

# Statement of changes in fund equities

Years Ended December 31, 1973 and 1972

	Capital Fund	Revenue Fund	Bond Service Fund	Bond Reserve Fund
<b>BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>	\$108,118,179	\$ 8,263,184	\$ 3,193,851	\$ 789,528
<b>RESTATEMENT AND RECLASSIFICATION (NOTE 2):</b>				
Restatement of cost to acquire right of way of Southern New Jersey Rapid Transit System	3,621,163	—	—	—
Reclassification of accrued interest on Series 1972 Special Obligation Refunding Bonds	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>BALANCE, EQUITIES (DEFICIENCY) BEGINNING OF YEAR, AS RESTATED AND RECLASSIFIED</b>	<u>111,739,342</u>	<u>8,263,184</u>	<u>3,193,851</u>	<u>789,528</u>
<b>REVENUES AND EXPENSES:</b>				
Operating revenue	—	32,562,835	—	—
Operating and general administration expenses	( 2,113,917)	( 8,448,153)	—	—
Interest income	—	969,515	597,285	1,530,456
Interest on funded debt	—	—	( 18,945,502)	—
Other income (charges), net	( 120,120)	( 1,076,446)	—	—
	<u>( 2,234,037)</u>	<u>24,007,751</u>	<u>( 18,348,217)</u>	<u>1,530,456</u>
<b>INTERFUND TRANSFERS AND PAYMENTS:</b>				
Bond service fund requirement	—	( 18,441,201)	18,441,201	—
Funds in excess of bond reserve requirement	—	647,634	—	( 647,634)
Completed capital additions	733,432	—	—	—
Funds in excess of escrow requirement	—	—	—	—
Recovery of transit system utility relocation costs paid in prior years	( 396,220)	—	—	—
Repayment of advance by Port Authority Transit Corporation	—	250,000	—	—
Other	( 33,220)	785	60,036	—
	<u>303,992</u>	<u>( 17,542,782)</u>	<u>18,501,237</u>	<u>( 647,634)</u>
Balance, equities (deficiency), end of year	<u>\$109,809,297</u>	<u>\$14,728,153</u>	<u>\$ 3,346,871</u>	<u>\$1,672,350</u>

See notes to financial statements.

Escrow Deposit Fund	Bond Fund	Construction Fund	General Fund	Total	
				1973	1972
\$ 12,319	\$ —	\$58,173,726	\$17,250,039	\$195,800,826	\$188,881,601
—	—	292,443	—	3,913,606	3,913,606
345,727	( 345,727)	—	—	—	—
358,046	( 345,727)	58,466,169	17,250,039	199,714,432	192,795,207
—	—	—	5,797,090	38,359,925	35,289,924
—	—	—	( 6,039,370)	( 16,601,440)	( 15,856,937)
—	—	—	—	3,097,256	2,123,401
—	—	—	—	( 18,945,502)	( 17,326,098)
1,038,495	( 1,689,281)	2,863,526	( 64,231)	951,943	2,688,935
1,038,495	( 1,689,281)	2,863,526	( 306,511)	6,862,182	6,919,225
—	—	—	—	—	—
—	—	—	—	—	—
—	—	( 362,366)	( 371,066)	—	—
( 1,361,202)	1,361,202	—	—	—	—
—	—	396,220	—	—	—
—	—	—	( 250,000)	—	—
( 9,659)	—	( 50,946)	33,004	—	—
( 1,370,861)	1,361,202	( 17,092)	( 588,062)	—	—
\$ 25,680	(\$ 673,806)	\$61,312,603	\$16,355,466	\$206,576,614	\$199,714,432

# Notes To Financial Statements

December 31, 1973

## (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of presentation:

The following accounting policies are in accordance with generally accepted accounting principles of governmental agencies and with provisions of the Authority's Bond Resolutions.

Southern New Jersey Rapid Transit System and Chester-Bridgeport Ferry operations are carried out by subsidiary legal entities, the accounts of which are included herein. Material balances and transactions between the entities have been eliminated.

Investment in securities:

Investment in securities is stated at amortized cost, which approximates market value.

Transit system inventory:

Transit system inventory, consisting principally of spare parts for maintenance of transit system facilities, is stated at the lower of cost (first-in, first-out method) or market.

Investment in facilities and reserve for replacements and repainting:

Investments in facilities is stated at cost, which generally includes expenses in connection with the offering, selling and issuance of bonds, and administrative and legal expenses during the construction period. Investment in facilities also includes cost of improvements, enlargements and betterments to the original facility.

Depreciation is not included as an operating expense or otherwise provided, except for the Southern New Jersey Rapid Transit System and the Chester-Bridgeport Ferry. When provided, depreciation is provided by the straight-line method over the estimated useful lives of the facilities.

Maintenance and repair costs considered necessary to maintain bridge facilities in good operating condition are charged to operations as incurred. A reserve sufficient to meet the estimated cost to repaint and replace road surfaces and fenders of bridge facilities is provided by periodic charges to operations.

Southern New Jersey Rapid Transit System, first phase capital improvement program and future extensions to Southern New Jersey Rapid Transit System study:

Southern New Jersey Rapid Transit System, first phase capital improvement program and future extensions to Southern New Jersey Rapid Transit System Study are stated at cost, net of reimbursements from the Urban Mass Transit Authority and other governmental agencies (See Note 3).

Reserve for self insurance:

Commencing in 1972, the subsidiary which operates the Southern New Jersey Rapid Transit System established a public liability self insurance reserve to provide for the cost of losses, which, if sustained, would not be covered by insurance policies.

Funded debt discount:

Discount arising from the issuance of funded debt is amortized on the straight-line method from the issue date to maturity.

## (2) RESTATEMENT AND RECLASSIFICATION:

In connection with the acquisition of the land and right of way of the Southern New Jersey Rapid Transit System (SNJRTS), the Authority was required to acquire additional land and incur certain costs of a capital nature which were not directly related to the SNJRTS land and right of way. The Authority was required to convey the additional land and capital items (which amounted to \$3,913,606) to other governmental units. The conveyance of

the land and capital items in 1969 was treated as a direct reduction of fund equities. The 1972 financial statements have been restated to adjust the investment in SNJRTS to include the cost of the conveyance, net of 1973 recoveries of related utility relocation costs totalling \$292,443.

The beginning fund equities (deficiencies) of the Escrow Deposit Fund and Bond Fund have been reclassified to include the liability for interest on Series 1972 Special Obligation Refunding bonds as an obligation of the Bond Fund.

## (3) APPROPRIATED ASSETS, GENERAL FUND:

The Authority has set aside assets in the General Fund of \$9,775,721, consisting of investments of \$9,775,292 and cash of \$429 for:

Replacement of Southern New Jersey Rapid Transit System facilities	\$9,325,721
Reserve for self-insurance, Port Authority Transit Corporation	450,000
	<u>\$9,775,721</u>

## (4) ACCOUNTS RECEIVABLE, GENERAL FUND:

General Fund accounts receivable include amounts due from governmental authorities for:

Construction reimbursement for the Southern New Jersey Rapid Transit System, Locust traction power substation.	\$448,189
Reimbursement for a Mass Transit Capital Improvement Grant, the Southern New Jersey Rapid Transit System, first phase capital improvement program.	184,472
Subsidy reimbursements for the Port Authority Ferry Corporation.	31,250
	<u>\$663,991</u>

The Commonwealth of Pennsylvania's share of the construction reimbursement for the Southern New Jersey Rapid Transit System, Locust traction power substation amounting to \$221,201 has not as yet been budgeted by the Commonwealth.

## (5) CHESTER-BRIDGEPORT FERRY:

The Chester-Bridgeport Ferry is operated by an independent company under an agreement dated May 1, 1966 with the Authority's subsidiary, Port Authority Ferry Corporation. Terms of the agreement require the Port Authority Ferry Corporation to reimburse the company for losses sustained from operations. The Delaware River Port Authority receives a maximum annual reimbursement of \$75,000 from the Commonwealth of Pennsylvania and the Port Authority Ferry Corporation receives like reimbursements from the State of New Jersey. For 1973 the operating loss of the Ferry was \$598,894 after depreciation of \$148,717, but before these reimbursements.

The Authority has agreed to cease operating the Ferry on February 1, 1974 when the Commodore Barry Bridge is opened for traffic.

## (6) FUNDED DEBT:

All bonds except the Series 1972 Special Obligation Refunding Bonds are issued in accordance with the General Bond Resolution dated April 23, 1969 as supplemented; the Series 1972 Special Obligation Refunding Bonds are issued pursuant to Resolution dated September 13, 1972.

The funded debt is payable and bears interest as follows:

<u>Maturity Date</u>	<u>Rate</u>	<u>Principal, Net of Unamortized Discount</u>
1969 First Series Revenue Bonds		
<u>January 15</u>		
1975	4.90 %	\$ 1,000,000
1976	5.00	2,125,000
1977	5.10	1,500,000
1978	5.15	2,050,000
1979	5.20	2,900,000
1980	5.25	3,575,000
1981	5.30	4,200,000
1982	5.35	4,825,000
1983	5.35	5,350,000
1984	5.40	5,975,000
1985	5.40	6,500,000
2009	5.625	<u>100,000,000</u>
Series 1970 Revenue Bonds, January 15, 2010	7.75	70,000,000
Series 1972 Revenue Bonds, net of unamortized discount of \$1,866,011, January 15, 2011	6.50	98,133,989
Series 1972 Refunding Revenue Bonds, net of unamortized discount of \$348,163, January 15, 2010	6.00	77,051,837
Series 1972 Special Obligation Refunding Bonds, January 15, 1979	5.50	<u>31,000,000</u>
		<u>\$416,185,826</u>

All revenues, cash and securities are pledged under the General Bond Resolution, except those of the General Fund and Bond

Fund. Assets in the Bond Fund together with certain cash and securities of the General Fund are pledged under the Resolution authorizing the Series 1972 Special Obligation Refunding Bonds.

The 1969 First Series Revenue Bonds, Series 1970 Revenue Bonds, Series 1972 Revenue Bonds and Series 1972 Refunding Revenue Bonds are redeemable before maturity at various amounts not in excess of 104% of principal amounts.

The Authority has given the Bond Trustee notice of its irrevocable election to redeem the Series 1970 Revenue Bonds on January 15, 1979 at 103% of principal amount. To effect this redemption the entire proceeds from the sale of Series 1972 Refunding Revenue Bonds and Series 1972 Special Obligation Bonds, together with cash transferred from the Bond Service Fund, were deposited in the Escrow Deposit Fund and were applied to the purchase of certain specified investments which are held in a special and irrevocable trust fund under an Escrow Deposit Agreement. The maturing principal of and the interest income from the specified investments are scheduled to be sufficient and will be used to pay the principal, redemption premium and the interest on the Series 1970 Revenue Bonds.

As a result of the issuance of the Series 1972 Refunding Revenue Bonds and the Series 1972 Special Obligation Refunding Bonds, the Series 1970 Bonds are, as of October 17, 1972, no longer "outstanding" under the definition of Section 102(34) of the General Bond Resolution dated April 23, 1969. Interest expense on the Series 1970 Bond is included in other income, net after October 17, 1972.

As defined by the Bond Resolutions, the bond service requirement amounting to \$10,271,364, the bond reserve requirement amounting to \$23,444,500 and the escrow deposit requirement amounting to \$101,937,500 as of December 31, 1973 were met by the Authority. In addition, the required maintenance of revenues in excess of 120% of aggregate bond service for the year ended December 31, 1973 was met by the Authority.

#### (7) COMMITMENTS AND CONTINGENT LIABILITIES:

As of December 31, 1973, the Authority had contractual commitments as follows:

	<u>Revenue Fund</u>	<u>Construction Fund</u>	<u>General Fund</u>	<u>Total</u>
Benjamin Franklin Bridge:				
Maintenance building	\$ ---	\$ 69,490	\$ ---	\$ 69,490
Toll plaza modifications	---	321,747	---	321,747
Automatic toll system	396,943	---	---	396,943
Other	22,981	---	32,550	55,531
Walt Whitman Bridge:				
Toll plaza modifications	---	86,061	---	86,061
Resurfacing approach roadways	12,767	---	---	12,767
Automatic toll system	404,267	---	---	404,267
Other	21,399	---	32,550	53,949
Commodore Barry Bridge	1,063	5,748,979	4,250	5,754,292
Betsy Ross Bridge	---	1,366,195	4,250	1,370,445
Southern New Jersey Rapid Transit System	---	18,217	---	18,217
Southern New Jersey Rapid Transit System, first phase capital improvement program:				
Power and signal control cables on the Benjamin Franklin Bridge	---	---	300	300
Procurement of new rapid transit cars	---	---	19,904	19,904
Consulting engineer services	---	---	1,320,600	1,320,600
Future extensions to Southern New Jersey Rapid Transit Study	---	---	147,495	147,495
World Trade Development	---	---	71,832	71,832
	<u>\$859,420</u>	<u>\$7,610,689</u>	<u>\$1,633,731</u>	<u>\$10,103,840</u>

The current engineering estimate for the total cost of construction of the Commodore Barry and Betsy Ross Bridges aggregated approximately \$219,000,000 of which approximately \$209,600,000 has been incurred to date. A portion of the remaining cost will require additional future financing.

The Authority has agreed to contribute \$1,500,000 to the State of New Jersey and \$3,375,000 to the Commonwealth of Pennsylvania for highway construction leading to certain of its facilities.

On June 30, 1972, the Authority entered into a long-term lease agreement for the rental of toll collection equipment for approximately 65 toll lanes. The Agreement extends for a period of five years after the date on which all rental charges begin. The Lease shall remain in full force and effect for an additional two year period unless the Authority gives termination notice in writing at least 120 days prior to the expiration of the five year period. The Lease contains an option to purchase clause. In July 1973, the Authority commenced installation on the Benjamin Franklin, Walt Whitman and Commodore Barry Bridges with work scheduled for completion in early 1974.

Certain subway properties are leased from the City of Philadelphia. The lease expires December 31, 1997 and provides for rental payments of \$1 per year plus 9.6% of net profits of the Transit System. For the years ended December 31, 1973 and 1972, no additional rent is payable since operations of the Transit System resulted in a loss when computed in accordance with terms of the lease agreement.

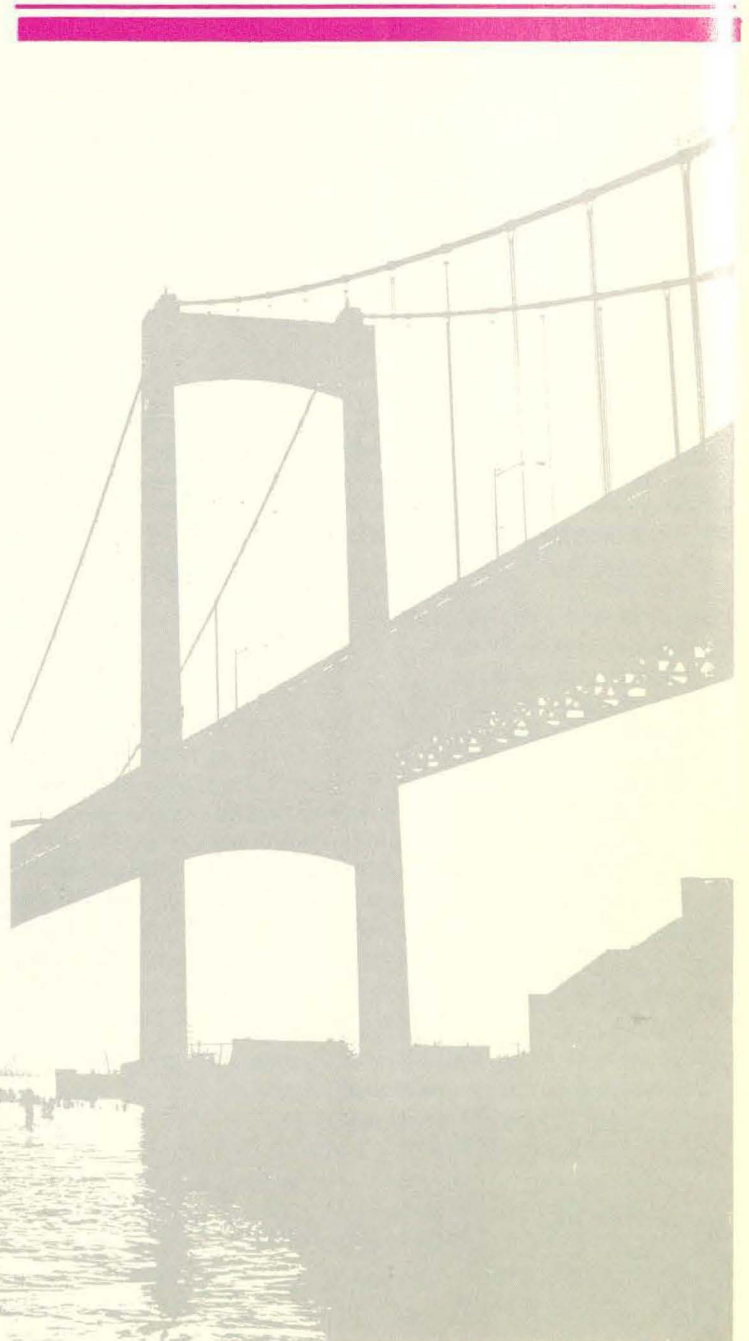
Lease commitments relating to these and other non-cancellable leases (principally office and equipment) are as follows:

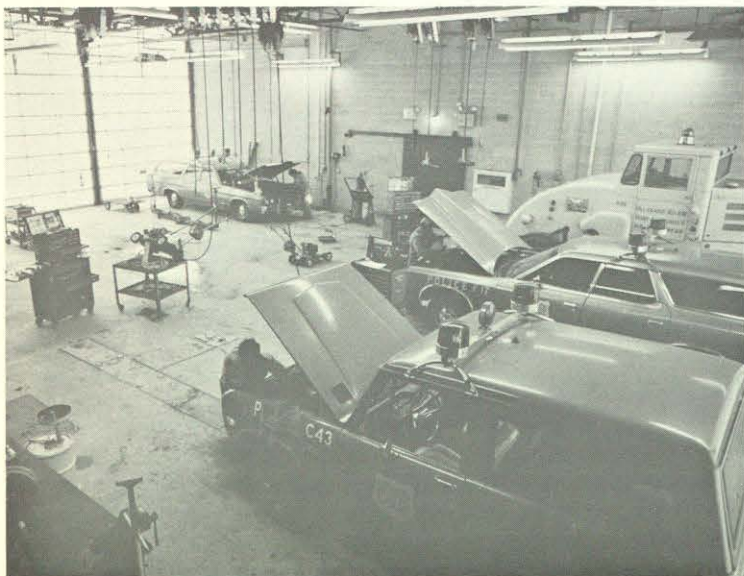
<u>Year Ending December 31,</u>	<u>Automatic Toll Equipment</u>	<u>Subway Properties</u>	<u>Other</u>	<u>Total</u>
1974	\$500,000	\$1	\$88,000	\$588,001
1975	650,000	1	43,000	693,001
1976	650,000	1	32,000	682,001
1977	650,000	1	27,000	677,001
1978	650,000	1	13,000	663,001
<b>Five Years Ending December 31,</b>				
1983		5		5
1988		5		5
1993		5		5
Years subsequent to 1993 (in total)				
		4		4

Rent expense for the years ended December 31, 1973 and 1972 under these leases amounted to \$183,000 and \$186,000, respectively.

As a result of a toll rate increase effective April 1, 1972, the Delaware River Port Authority is currently engaged in a proceeding before the Federal Highway Administration regarding its current toll schedules. Pursuant to an Order issued by the Federal Highway Administrator, it was recommended that tolls be substantially reduced. This Order, issued November 5, 1973, was stayed and it is apprehended that further hearings will be scheduled. In the opinion of counsel for the Authority, the position of the Authority with regard to its current tolls is sound.

Two companies involved in the construction of the Commodore Barry Bridge have filed suits in the United States District Court of New Jersey for claims against the Authority aggregating approximately \$20,000,000. In the opinion of counsel for the Authority, the liability status of this claim is presently not capable of precise evaluation. In addition, other companies involved in the construction of facilities have filed various less significant claims against the Authority which are presently being negotiated. Any payment which might be due upon settlement of these claims would be charged to investment in facilities.







# DELAWARE RIVER PORT AUTHORITY of Pennsylvania and New Jersey

## Headquarters

Camden, N.J.  
*Bridge Plaza*

## Regional Offices

Philadelphia  
*Public Ledger Building*

New York  
*One Penn Plaza*

Chicago  
*327 S. LaSalle Street*

Washington, D.C.  
*1725 K Street, N.W.*

Pittsburgh  
*Gulf Building*

London  
*128 Mount Street*

Antwerp  
*2128 St. Job*

Milan  
*Piazza Del Liberty 8*

Bogota  
*Calle 38 – No. 8-12, OF, 401*

Tokyo  
*World Trade Center Building*

Hong Kong  
*Gloucester Building*

