

**THE PORT AUTHORITY
OF NY & NJ**

1973 Annual Report



1973 Annual Report

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Cover

An interior view of Terminal B of the new Newark International Airport, opened at dedication ceremonies Sept. 12, 1973

*Elizabeth
Marine Terminal
nears completion*

*Newark International
Airport dedicated*

The Bus Terminal

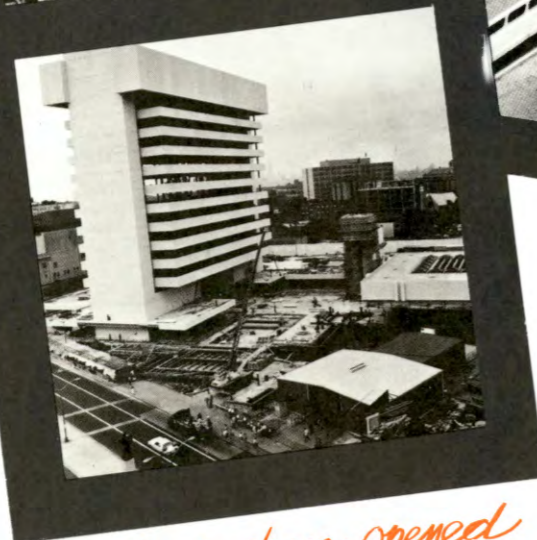
*Served
200,000
patrons
a day*

*Exclusive Bus Lane
completes 2nd year*

first phase opened

*Customhouse
dedicated*

*Journal
Square
Transportation
Center*



Respectfully submitted
in accordance with
the Port Compact of 1921 to
the Honorable Brendan T. Byrne,
Governor, and the Legislature of
the State of New Jersey and
the Honorable Malcolm Wilson,
Governor, and the Legislature of
the State of New York.



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



Honorable Malcolm Wilson,
Governor of the State of New York

To:

The Honorable Brendan T. Byrne, Governor, State of New Jersey
The Honorable Malcolm Wilson, Governor, State of New York

I am pleased to submit the 1973 Annual Report of the Port Authority of New York and New Jersey to you, the first to be made to each of Your Excellencies.

1973 was a year of notable beginnings as well as of important continuation for the Port Authority. Substantial progress was made on the mass transit projects authorized by the States. In addition, three major Port Authority projects were formally dedicated: Newark International Airport, the U.S. Customhouse at The World Trade Center, and The World Trade Center itself. The bi-State Port maintained its leadership during 1973 in its handling of the nation's trade and commerce by air and sea.

In 1973, the first element of the Port Authority Trans-Hudson System (PATH's) Journal Square Transportation Center, was opened to the public. Detailed planning and public information efforts on the extension of the PATH system to Plainfield, New Jersey progressed, as did planning for the corresponding rail service for John F. Kennedy International Airport. Various improvements were made to PATH's operational system to improve the efficiency and dependability of the service to the riders. Planning also went forward for direct Erie Lackawanna rail service to Penn Station, New York.

Despite a nine-week strike by carmen that halted all PATH service in April and May, PATH carried more than 30 million passengers. These PATH commuters now constitute 70 percent of all those who enter New York City by rail from New Jersey.

At the Port Authority Bus Terminal, the world's busiest mass transportation terminal, passenger volumes for the year reached 64,000,000 for 1973, an increase of nearly 10 percent over that for 1972. This facility, and its sister terminal in the Washington Heights section of Manhattan at the eastern end of the George Washington Bridge, now serve nearly all the inbound bus passengers from New Jersey and New York's Rockland and Orange Counties.

At the Port Authority's six marine terminals, 1973 general cargo tonnages were more than 12½ million long tons, a 3 percent increase over 1972. During the year Port Newark, the 800-acre complex on Newark Bay, marked its 25th year of Port Authority service. Further efforts were made

to expand and modernize the facilities of this seaport complex as well as those of the Elizabeth Marine Terminal, to meet the shipping needs of the bi-State Port. The Elizabeth terminal, already the world's largest and most modern containership facility, will handle more than 12 million tons of containerized cargo annually when it is fully operational.

Construction of the Passenger Ship Terminal, the six-berth passenger facility located between 48th and 52nd Streets on Manhattan's Hudson River waterfront, progressed substantially during 1973 and is scheduled to be completed late in 1974. In the interim, more than 600,000 passengers were served at interim passenger pier facilities operated by the Port Authority during 1973.

The new 425-acre terminal area at Newark International Airport was formally dedicated in September and all commercial airline operations shifted to the new terminal facilities by the year's end. At John F. Kennedy International Airport and at LaGuardia, efforts at maximizing use of existing space were reflected in construction projects continued by both the Port Authority and major airline tenants.

Air passenger travel at the three metropolitan area airports operated by the Port Authority reached a record high during 1973 with more than 42 million domestic and international passengers served. Despite the continuing growth in passenger volumes, the increased use of wide-body and jumbo aircraft kept the growth in the number of plane movements to a minimum.

The volume of traffic using the Port Authority's two tunnels and four bridges which link the States of New Jersey and New York, totaled 164,344,013 vehicles in 1973, an increase of 3.1 percent over 1972. At the Lincoln Tunnel, the Exclusive Bus Lane, which saves bus commuters from New Jersey 10 to 15 minutes each day, continued to attract a large number of users. Estimates are that four out of every five bus commuters from New Jersey now use this commuter service, now a permanent element in trans-Hudson transportation because of joint arrangements among the Port Authority, the New Jersey Department of Transportation, and the New Jersey Turnpike Authority.

A major step toward The World Trade Center's full implementation as a facility for international commerce was the move of the U.S. Custom Service to its new Customhouse at the northwest corner of The World Trade Center, dedicated in October 1973. The dedication of both this project and of the Trade Center advanced the Center toward its goal as focal point for the transaction of international trade in the bi-State Port. During the year, the community of world trade organizations located in the Trade Center grew to more than 400 firms; the unique information service, Interfile, completed its first full year of operation; and the World Trade Institute offered 160 courses to more than 2,000 businessmen and government officials.

The Port Authority also continued to carry out its various activities in the planning and development of the Port area and the promotion and protection of trade and commerce through the bi-State Port.

In brief, this was the picture for 1973—another year of service to the two States and to the people of the Port District.

Respectfully yours,

A handwritten signature in dark ink that reads "James C. Kellogg III".

James C. Kellogg III
Chairman

What the Port Authority Is and What It Does

The Port Authority of New York and New Jersey was created by a Compact between the two States in 1921 to be a financially self-supporting agency responsible for developing and operating terminal, transportation and other facilities of commerce within the bi-State Port District. The bi-State Authority has no taxing power and cannot pledge the credit of either State. The original name of the agency, The Port of New York Authority, was officially changed by concurrent bi-State legislation in 1972 to The Port Authority of New York and New Jersey.

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

In the Port Compact, New Jersey and New York:

—pledged their “faithful cooperation in the future planning and development of the Port.”

—specifically defined “the Port District,” the area in which their joint interest lay and

—created the Port Authority as their agency to carry out within the District the projects which they declared “can best be accomplished through cooperation

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

Organization

The Port Authority is a board of twelve Commissioners. Six are appointed by the Governor of New York and six by the Governor of New Jersey, subject to confirmation by the State Senates. The Commissioners are public officers who serve without compensation for overlapping terms of six years. The Commissioners report directly to the Governors of New York and New Jersey, who have veto power over actions of their respective Commissioners.

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

Projects

The projects and activities which

the Port Authority has undertaken in accordance with the Port Compact, and subsequent concurrent legislation of the two States supplementing and amending the Compact, fall in the general fields of land transportation, air transportation, water transportation, and world trade. The facilities operated by the Port Authority are:

Tunnels and Bridges Linking the two States

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

Rail and Bus Commuter Facilities

Port Authority Bus Terminal
Port Authority Trans-Hudson
PATH System
Journal Square Transportation
Center
George Washington Bridge Bus
Station

Regional Airports Serving the Two States

John F. Kennedy International
Airport

LaGuardia Airport
Newark International Airport
Teterboro Airport
Port Authority—West 30th Street
Heliport
Port Authority—Downtown
Heliport

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

Port Newark
Elizabeth—Port Authority Marine
Terminal
Hoboken—Port Authority Marine
Terminal
Brooklyn—Port Authority Marine
Terminal
Erie Basin—Port Authority
Marine Terminal
Columbia Street Marine Terminal
Passenger Ship Terminal (under
construction)
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 terminal,

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

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

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

portation and trade center. 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, and route cases which affect the movement of commerce to and through the Port.

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

The expansion of international trade and the flow of commerce through the Port is the specific purpose of The World Trade Center, which serves as a unified community of commerce and brings together the marketing and service facilities of world trade to permit the Port to better serve international commerce and attract additional trade.

Port Authority Facilities



Planning For The Future

Planning has been, and continues to be, a major responsibility of the Port Authority. Reflecting this, progress on a broad range of programs was made during 1973. Highlights of the major aspects of these programs are as follows:

Inter-Agency Task Force

The Port Authority has been participating since 1970 in the Inter-Agency Task Force established by former Governor William T. Cahill of New Jersey and former Governor Nelson A. Rockefeller of New York. The Task Force was comprised of the Commissioner of the New Jersey Department of Transportation, the Chairman of the Metropolitan Transportation Authority of New York, and the Executive Director of the Port Authority.

The Task Force's principal objective was to develop a program for the improvement and expansion of public transportation service across the Hudson River with the goal of an uninterrupted through-trip for as many passengers as possible. The Inter-Agency Task Force recommended proceeding immediately with the implementation of the plan for expanded direct rail service to Penn Station, New York, which was subsequently adopted by the two States and is covered elsewhere in this report. That decision will enable substantial progress to be made on improving direct rail commuter service between New Jersey and New York in the 1970's. In addition, the work of the Task Force entailed a major planning, engineering and economic feasibility study of a

possible trans-Hudson rail tunnel from the New Jersey Meadowlands under the Palisades and Hudson River to a terminal in midtown Manhattan. It would provide direct commuter rail service from the Erie Lackawanna lines into mid-Manhattan.

The Task Force findings on the tunnel project were contained in its report entitled "A Report on Interstate Commuter Rail Service Between New Jersey and New York", issued in December 1973.

The report stated that whether additional trans-Hudson rail capacity will be required, desirable or financially feasible in the future will depend upon a number of future developments which are difficult, if not impossible, to assess fully at this time. Important factors that need to be reassessed following the completion of the Penn Station direct service improvement include: 1) the adequacy for the long term of the Penn Station expanded service project; 2) the future traffic-generating potential of Manhattan and such areas as the Meadowlands and New York and New Jersey suburban areas tributary to such a rail network; 3) the possibility that Stewart Airport will be developed into a full-service aviation facility, as is being studied by the Metropolitan Transportation Authority, and that this development, coupled with a new high speed rail access line for airline passengers and suburban residents, would have a major impact on trans-Hudson rail passenger volumes; 4) the availability of substantial amounts of public funds to be applied to such a large-scale capital program; 5) the impact of the rail tunnel project

on affected communities and major land use changes in the metropolitan area; and 6) the interrelationship to other modes of travel including evaluations of the technological advances made in the various travel modes during the 1970 decade.

Environmental Improvements

Energy conservation measures were established for all Port Authority facilities resulting in substantial savings of electricity and heating fuels. These efforts included elimination of unnecessary lighting and reduction of heating levels at all facilities, consistent with the health, comfort and safety of patrons and employees. Port Authority tenants and patrons cooperated fully in these efforts.

Major paper recycling programs began during the year at the World Trade Center and PATH terminal. These efforts concentrated on returning to use, through recycling, large volumes of waste paper which otherwise would be disposed of in rapidly diminishing land-fill space.

Programs to minimize potential air and water pollution and for more effective noise control were continued and strengthened at each facility during 1973. Included in this category is a two year program to develop methods for preventing the discharge of wastes from Port Authority airports into surrounding waters. Continued liaison with Federal, state and local officials to assist in the development of effective standards and legislation for wiser protection of the environment was maintained.

Harbor Improvements

Recognizing the need for improved navigational safety and guidance techniques for the New York-New Jersey Port, and consistent with provisions of the Ports and Waterways Safety Act of 1972, the U.S. Coast Guard established a New York Harbor Vessel Traffic System Advisory Committee with the Port Authority as an active member. The plan calls for a system based on inter-ship radio-telephone communications at designated harbor entry, departure, precautionary and danger areas. A Coast Guard Vessel Traffic Control Center will be located on Governors Island. Coast Guard plans call for the system to be installed between late 1975 and 1977.

With the support of the Port's Congressional Delegation and nearly 20 port, maritime and civic interests, the Port Authority on May 14, 1973 urged the House and Senate Committee on Appropriations to provide \$5,275,000 in Fiscal Year 1974 for Army Corps of Engineers waterway improvement construction work or feasibility studies involving the New York Harbor Anchorages, Newark Bay, the Hackensack River and the East River Spur (South Brother Island) Channel to Astoria. The effort also resulted in "work start" appropriations being provided for two unbudgeted projects—namely, a study of deepening and easing the bends of the Kill van Kull and Newark Bay Channels and the deepening and federalization of the East River Spur Channel—totaling \$140,000 in excess of the Federal Executive Budget for Fiscal Year 1974.

The year also marked the virtual elimination of the need for crews arriving on vessels from abroad to obtain quarantine clearance by ra-

dio (radio pratique) from the U.S. Public Health Service. This is a major improvement in expediting the fast and economic quarantine clearance of vessels, a goal long sought by the Port Authority, in contrast to the prior procedure of requiring medical inspections of each vessel at Quarantine Anchorage off Fort Wadsworth, Staten Island. Under the latest plan, Public Health Service staff boardings of vessels have been reduced by about 97 per cent, and overtime costs by about 90 per cent.

Highway Planning

The Authority's highway studies in the State of New Jersey centered around future highway proposals such as the U.S. 1 & 9 Freeway serving the Holland and Lincoln Tunnels; the Route 21 Freeway proposal in Newark and its impact on Newark International Airport; review of the Route 169 Feasibility Study and its related effect on the Bayonne Bridge; continuing evaluation of the Route 81 Freeway link which will be an important part of the arterial highway network and serve the Marine Terminal facilities in Elizabeth and Newark as well as Newark International Airport. Among the programs monitored during 1973 for New York State were the West Side Highway along Manhattan's Hudson River waterfront, the Nassau Expressway/Southern Parkway corridor serving JFKIA and the West Shore Expressway in Staten Island as related to the function and service to the Staten Island Bridges.

The Port Authority also continued coordinated efforts with the Tri-State Regional Planning Commission in preparation of the 1974 National Transportation Study. The Study's purpose is to assess the state of the nation's current and fu-

ture transportation systems in order to develop recommendations for programs and policies aimed at improving those systems.

Exclusive Bus Lane

The Exclusive Bus Lane, the successful program to aid New Jersey bus commuters bound for the Lincoln Tunnel, received further development attention during the past year. Under a Phase Two Program, new highly sophisticated traffic control and operational techniques will be installed to provide increased operating efficiency and convenience for the more than 40,000 passengers who utilize the Exclusive Bus Lane every business day. This Phase Two Program, estimated to cost in excess of \$2 million, is being jointly conducted by the Tri-State Regional Planning Commission, the Port Authority, New Jersey Department of Transportation, the New Jersey Turnpike Authority, and staffs of involved Federal agencies. In addition to local funding, preliminary applications for over \$1.9 million of Federal funds for this work were submitted to the Federal Government, with a receptive response indicated on their part.

Staggered Work Hours

Aided by a \$133,000 grant from the U.S. Department of Transportation, the Staggered Work Hours Program continued to attract more and more people to work schedules which help reduce peak period transportation congestion and thereby increase travel comfort for the commuter. Because of Manhattan's traditional adherence to a 9-to-5 schedule, efforts to expand the peak travel period became especially meaningful, particularly in view of the energy crisis. Results of "before" and "after" surveys

conducted for firms which have changed their normal hours show clearly the beneficial impact that such staggered hours produce with no perceptible loss of efficiency or productivity. Equally important, workers traveling during the new hours are highly enthusiastic, reporting less congestion, greater comfort, and more convenient travel conditions. As a result of its successful efforts in Manhattan, the Port Authority has accepted a request for assistance from the Greater Newark Chamber of Commerce in working with public officials and business firms in that city to determine if implementation of Staggered Work Hours would be valuable for its commuters.

During the course of the year, the number of individuals working staggered hours in midtown and lower Manhattan increased by more than 25,000. As of the end of 1973, some 220,000 employees had shifted their working hours from the traditional 9-to-5 schedule. Receipt of the Federal grant will enable the Port Authority and its co-sponsors in lower and midtown Manhattan to develop additional ways to promote the program's adoption even more extensively, to conduct a variety of surveys to determine more precisely its impact and possible future effects on transportation facility planning, and to prepare a manual for use by other groups contemplating Staggered Work Hours Programs.

Bus Passenger Monitoring Study

Early in the year, the United States Urban Mass Transportation Administration approved a grant of \$67,000 to the Port Authority for Bus Passenger Monitoring Studies. Working with the New York City Transit Authority, Transport of New Jersey and others, the Port

Authority will be attempting to develop more effective methods of recording passengers entering and exiting buses at each bus stop or at predetermined points along a given bus route. A later phase of the study calls for investigation of communications methods that will efficiently transmit the data obtained to central processing locations.

An effective, low-cost bus passenger counting system holds promise of significant benefit to both public agencies and the bus industry. For terminal operators, it could become a means for optimizing use of existing terminal space by continuously tabulating statistics on passenger loads, by route, for critical time slots. This data could be converted to equipment requirements by carrier and route and, in turn, provide for allocating scarce platform space more efficiently.

Northeast Railroads Restructuring

The Northeast Railroads, vital transportation lifeline for the bi-State Port District, are in bankruptcy and the Federal Government has passed major legislation to bring about their revitalization. Because of their incalculable importance, the Port Authority commenced work during 1973 to insure that the area's critical rail needs be fully recognized and protected as part of the restructured rail system. The most significant concern is the need for the greatest possible preservation of competitive freight services in the Port area. Also vital are proper distribution facilities and services within the region and the relationships of the proposed restructuring to existing commuter rail services and long haul passenger services provided by Amtrak. The Port Authority worked closely with other agencies in this area, es-

pecially the Tri-State Regional Planning Commission, to insure that the legitimate needs of the region are satisfied. Much work remains to be done by all concerned before this essential goal can be achieved.

Foreign Trade Report

Continuing a service widely sought after and used by both domestic and foreign trade interests, the Port Authority issued its report entitled "*Foreign Trade During 1972 at the Port of New York-New Jersey*". This statistical compilation provides detailed information on the more than 61 million tons of foreign trade which moved by water and air through the bi-State port during 1972. Latest in a series of annual foreign trade reports published by the Port Authority, it provides a clear framework for evaluating the bi-State Port's role in handling international commerce. The report highlights the fact that during 1972, the New York-New Jersey Port's oceanborne general cargo foreign trade recovered from the strike-depressed level of the previous year, while foreign air cargo continued its strong uptrend to set another annual record.

Increasing the Port Authority's ability to accurately forecast future foreign trade activity was the development in 1973 of an econometric foreign trade model. This mathematical model can be used to forecast the New York-New Jersey Port's general cargo export and import volume by mode of transportation, through the year 1990. The model represents a major advance in the practical application of econometric theory and is designed not only to explain and analyze the major forces that affect the port's share of U.S. foreign trade, but also a tool in port planning.

*Plainfield Extension
Test Boring*



*Over 30 million
travelers used PATH
during '73*



*New PATH
Entrance at
Journal Square
opened*



PATH and Rail Transportation

In 1973 the first element of the PATH Journal Square Transportation Center was opened to the public and planning for an extension of the PATH system to Plainfield, New Jersey progressed. Various improvements continued to be made to PATH's operational systems to improve the efficiency and dependability of the service to riders. Planning also went forward for direct Erie Lackawanna rail service to Penn Station, New York.

Last year PATH's over-all on-time performance was 97.2 percent. During the year 30,039,837 passengers were carried on the system, which now handles over 70 percent of all passengers entering New York City by rail from New Jersey.

Since acquisition of the Hudson & Manhattan Railroad in 1962, the Port Authority, through its subsidiary, the Port Authority Trans-Hudson Corporation, has invested \$221 million in acquisition, rehabilitation, and modernization and has incurred operating deficits, as reported to the ICC, totalling \$125 million on the 14 mile rapid transit system connecting Newark, Harrison, Jersey City and Hoboken with New York City.

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

- design and purchase of a new fleet of air-conditioned cars
- renovation of the signal system
- replacement of the electric traction power system
- rehabilitation of track, tunnel drainage, and utility systems
- improvement of maintenance shops and car yards
- improvement of other passenger stations in both States

- construction of the new World Trade Center terminal in lower Manhattan
- installation and improvement of an all-station public address system
- installation of a two-way radio communications network throughout the system and on all PATH trains
- introduction of a new exact change fare collection system

Journal Square Transportation Center

The new PATH station entrance at the Journal Square Transportation Center in Jersey City was opened in December 1973. This entrance, which became the first portion of the new Center to be opened to the public, provides full escalator service between platforms and the surface level. Upon completion of other areas in the complex it will

offer a completely enclosed and weather-protected transfer between PATH and the numerous bus lines which serve Journal Square.

A transportation center in Journal Square was part of the initial plans for acquisition and improvement of the Hudson and Manhattan Railroad by the Port Authority in 1962 and was legislatively directed at the time.

Journal Square is a major commercial center in New Jersey's second largest municipality. It is a transportation hub for the city and surrounding communities, providing bus connections to points as distant as Lakewood and Asbury Park. Some 74,000 passengers daily board PATH and the 29 bus routes serving Journal Square.

The Transportation Center occupies an eight-acre site over and adjacent to PATH and Penn Central tracks. In addition to the new

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

In November 1972, the Governors of the States of New York and New Jersey announced a bi-State plan for major rail mass transportation development by the Port Authority in close cooperation with the New Jersey Department of Transportation and the Metropolitan Transportation Authority. The \$650 million plan provides for: the extension of PATH service from Penn Station, Newark, to Plainfield, New Jersey via Newark International Airport; direct rail service to Penn Station, New York for New Jersey and Rockland and Orange County, New York riders of the Erie Lackawanna; and direct high-speed rail service between Manhattan and John F. Kennedy International Airport.

The New York State Commuter Railroad Equipment Program was initiated in 1959 in accordance with legislation enacted by the two States which permits New York State to guarantee up to \$100 million of special Port Authority bonds to purchase cars for lease to New York commuter railroads. Since 1962, 467 air-conditioned passenger cars and eight diesel-electric locomotives have been purchased for use in commuter service within the State of New York on the Penn Central and Long Island railroads.



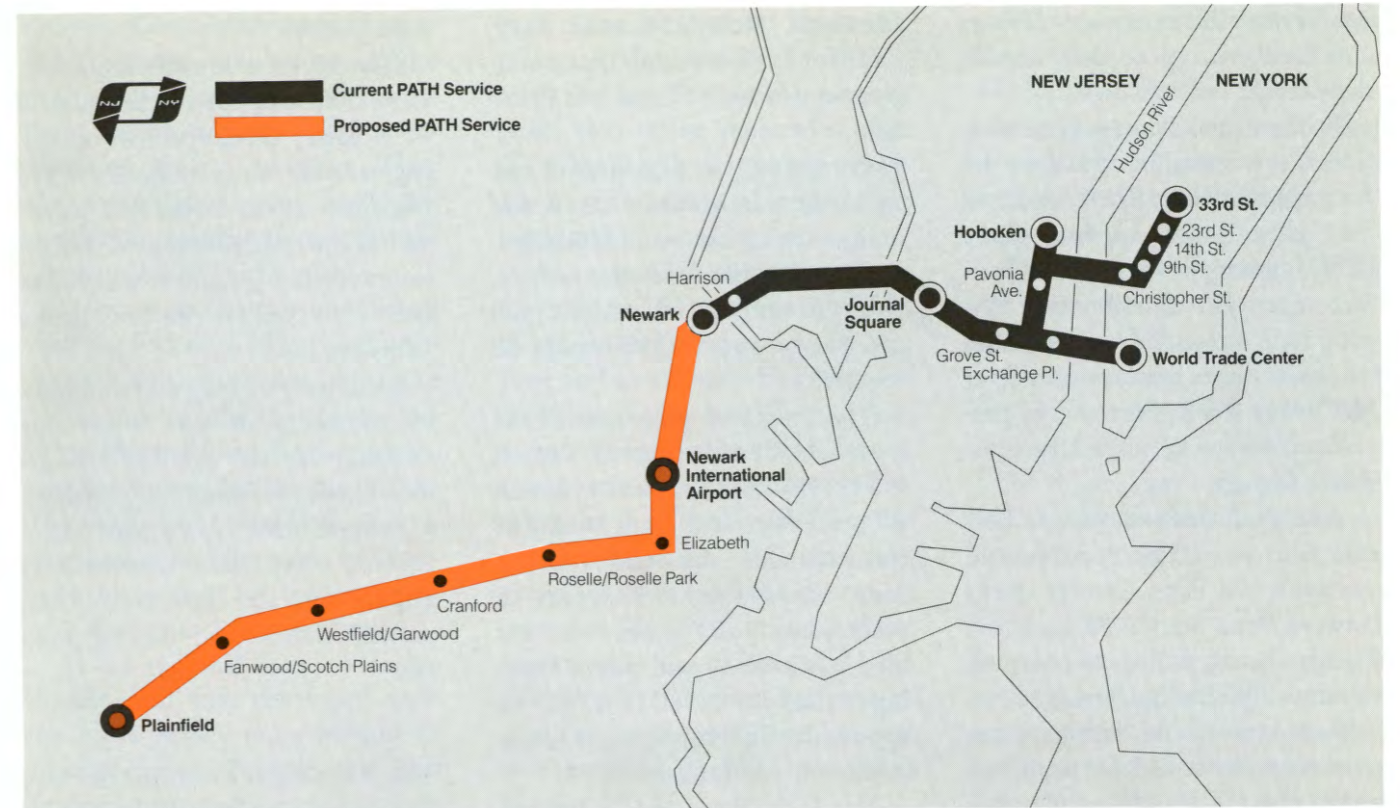
The first element of the Journal Square Transportation Center was opened in December 1973, providing the 34,000 passengers who use PATH at Journal Square daily with a new entrance with escalator service between street level and PATH platforms three levels below.

weather-protected PATH and bus stations, the center will become the administrative and operational headquarters of the system. PATH Corporation offices will occupy part of the ten-story administrative building at the Center in 1974.

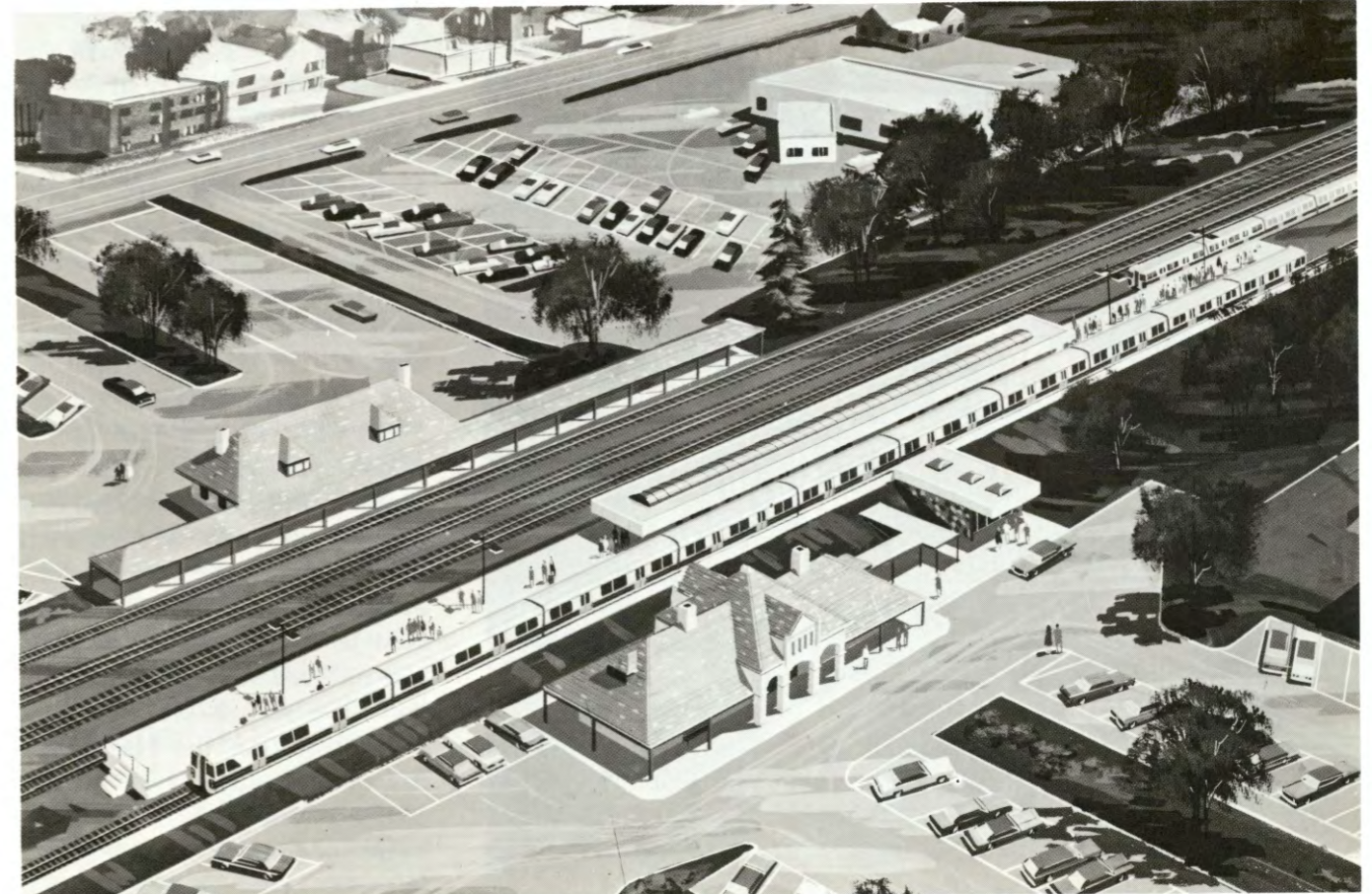
Other elements of the development include off-street parking for 600 automobiles and provision for convenient consumer services around the attractively landscaped central plaza and on the concourse level below.

Plainfield Corridor Service Project

As authorized by the States in 1973, PATH began detailed planning for the Plainfield Corridor Service Project, an extension of PATH from Newark to Plainfield



Authorized by joint legislation of the two States, the extension of PATH rail service to Plainfield, N.J. also includes service to Newark International Airport.



The new PATH station at Westfield, N.J. is a typical example of station improvements required to accommodate the new rail service.

via Newark International Airport and Elizabeth, more than double the present mileage of PATH.

Primary goal of the PATH extension is the retention of rail service for approximately 8,000 riders of the Central Railroad of New Jersey (CNJ), whose rail service has been threatened with abandonment. The proposed extended service also would include a new station stop at McClellan Street, Newark, to provide rail service to Newark International Airport.

As part of this extension, a new rail line would be constructed alongside the Penn Central tracks between Penn Station-Newark and Elizabeth, including the airport station at McClellan Street.

Basic system and structural improvements would be required along the CNJ right-of-way between Elizabeth and Plainfield, including station construction at

Elizabeth, Roselle/Roselle Park, Cranford, Westfield/Garwood, Fanwood/Scotch Plains and Plainfield.

Forty-four new rapid transit cars would be purchased by PATH and many existing cars would be extensively refurbished for the service. Other equipment for track, signal and power systems also would be required.

The estimated gross cost of the Plainfield Corridor Service Project is \$221,510,000, toward which an 80 percent capital grant would be required under the Federal Urban Mass Transportation Program. A preliminary grant application was filed in October, and public hearings called for by UMTA, the responsible Federal agency, were scheduled for January 1974.

The local share would be provided by the Port Authority and, to the extent necessary, the State of

New Jersey.

The PATH extension would relieve the taxpayers of the State of New Jersey of the present operating subsidy obligations for CNJ passenger service in the area served and of the responsibility for capital improvement programs which had been identified for the CNJ in the Corridor.

Detailed planning and community contact work were under way throughout the year. Through meetings with community officials, planners and trade and civic leaders, every effort was made to acquire data and encourage citizen participation in the planning process.

Penn Station Direct Access

The Plainfield Corridor Service Project is one element in a three-part metropolitan area rail transportation improvement program delegated to the Port Authority. The second is a project to provide rail service to Kennedy International Airport (see page 27). The third is the Penn Station Direct Access Project, which calls for rail connections and station improvements at Penn Station-New York to permit operation of Erie Lackawanna trains directly into New York City.

Track connections between the Penn Central and Erie Lackawanna railways in Kearney and Secaucus will permit selected Erie Lackawanna trains, carrying some 20,000 riders, to travel directly into Manhattan from areas in northern New Jersey and upstate New York. The project also includes construction of a new high-level Penn Central bridge over the Hackensack River and construction of yard facilities in New Jersey.

Detailed design work has been in process on the Penn Station Direct Rail Access Project throughout

the year. Consultants are undertaking computer simulations of the train movements into and out of Penn Station to reach detailed engineering design decisions. They also are studying power, signal system and communications improvements included in the plan.

Liaison also has been established with the Federal Railway Administration and Amtrak, who are responsible for the Northeast Corridor High-Speed Rail project, which also will utilize the station. The Coast Guard has been analyzing marine requirements to determine clearances for the proposed new Hackensack River bridge.

At the regional level, extensive coordination was developed with the New Jersey Department of Transportation. Further, the Port Authority will participate in a Federal grant project sponsored by the MTA to study all Penn Station operations.

Engineering studies required to support a preliminary Federal aid application for the project are expected to be completed in late 1974.

Passenger Volumes

In 1973 PATH served 30,039,837, passengers, 25.4 percent less than 1972. This decline was directly attributable to the nine-week suspension of PATH operations due to the strike called by the Brotherhood of Railway Carmen. The strike of these workers who are responsible for the inspection, maintenance and repair of PATH cars represented the first breakdown of the bargaining process since the organization of PATH in 1962. The strike began on April 1 and ended June 3.

Following the strike settlement, PATH returned to service on June 3 with 20 percent fewer riders. Passenger volumes soon returned to a

level some 12 percent below the prior year. It was only at year end, with the impetus of the energy crisis, that traffic rebounded to a daily level only 2 percent below 1972, with comparable gains on weekends.

An increase in PATH fares from 30 cents to 50 cents was approved by the PATH Board of Directors in June and a new tariff filed with the Interstate Commerce Commission to provide for that increase. The increase was sought because PATH revenues, in spite of traffic increases experienced since 1965, have progressively fallen behind operating expenses. However, in light of the energy crisis and in light of the desirability of retaining and encouraging transit ridership, this increase was rescinded by the PATH Board in early 1974.

PATH Modernization

Improvements continued to be made to the PATH system to provide more comfortable, convenient and dependable service to its riders.

As part of an eight-year, \$5 million tunnel track rehabilitation program, new ties and rail were installed in the westbound under-river tunnel on the uptown PATH service and ties replaced between the river and Christopher Street station.

Major track rehabilitation on the Hackensack River Bridge also was completed and some 2,000 feet of track in the Kearny meadows was raised and new ballast installed in a further effort to avoid high tide problems adjacent to the Passaic River.

To improve operations in the Journal Square area, switch controls were transferred from the Penn Central to PATH and new track turnouts and crossovers were installed.

Conversion to a full exact change fare collection system was completed early in the year. This system relieved passengers of the necessity of standing in lines for tokens by equipping all stations with exact change turnstiles.

Following the expansion of the PATH car fleet by 46 cars, a two-year program of car repainting and trim replacement was begun on cars delivered in 1965 and 1967. By year's end, the majority of the 1958 model cars had new public address installations and a seat upholstery program was under way.

Environmental Concern

In response to the growing paper shortage and concern for the rapid consumption of forest resources, PATH introduced newspaper recycling drop stations at the World Trade Center terminal early in the year. The recycling program also helped PATH to maintain a cleaner environment for passengers on trains and in stations.

Instead of discarding newspapers on the train, passengers were urged to put them in special receptacles so that they could be bundled. The program is being expanded to other PATH stations in 1974.

Other conservation measures were taken by PATH late in 1973 in response to the energy crisis. Primary among them were a reduction in train length during off-peak hours, a 5 to 10 degree reduction in car heating, a reduction in station lighting and a reduction in heating in employee areas.

These steps will reduce PATH's annual electrical consumption by an estimated 9.7 million kilowatt hours, or 13 percent, an amount equal to the electrical requirements of approximately 1,550 homes—or a small town with a population of 6,700 people.



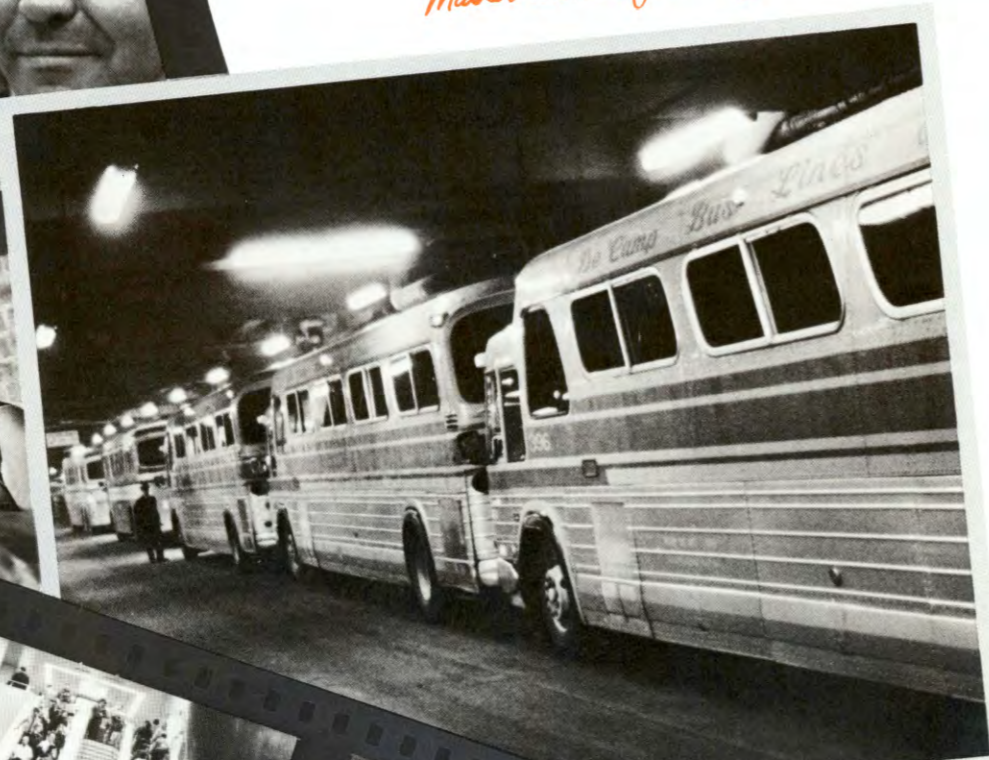
Among the elements of PATH modernization substantially completed is the new World Trade Center terminal. The station accommodates 85,000 on a typical day.



*Serving the community—
Fire Prevention Week*



*The Bus Terminal—
the world's busiest
mass transit facility*



*Project
FIND*



*GNB
Bus Station—
10th year*



*PABT
Evening Rush hour*



*64 million
patrons in '73*

Terminals

The Port Authority Bus Terminal continued its effective service as the world's busiest mass transportation terminal, serving nearly a quarter of a million people a day. The block-long terminal, opened in 1950, was expanded in 1963 to add another bus operating level and a three-story parking roof atop the building. As a result of increases in passenger traffic and bus activity since 1963, an additional expansion is being planned to increase the terminal's capacity substantially.

The George Washington Bridge Bus Station in Washington Heights, built as part of the bridge's lower level project, celebrated its tenth-anniversary in 1973.

The New York Union Motor Truck Terminal, opened in 1949, acquired United Parcel Service, the nation's largest consolidator and deliverer of less-than-truckload package freight, as a tenant during 1973. United Parcel is leasing virtually all the Terminal's operating space and is making extensive modifications and improvements to the facility. The Newark Union Motor Truck Terminal, opened in 1951, continued to handle truck freight through the extensive local and over-the-road routes of REA Express and Associated Transport.

Port Authority Building

Port Authority Inland Terminal No. 1, the full-square-block building in Manhattan which formerly housed the headquarters of the Port Authority, was sold after public advertising to Realopco, Inc., a New York corporation headed by Sylvan Lawrence and Seymour Cohn of Sylvan Lawrence Company, which

made the highest offer of \$24 million.

Before authorizing the sale of the terminal, also known as the Port Authority Building, the Commissioners determined that it was no longer required by the bi-State agency. The 15-story building at 111 Eighth Avenue, opened in 1932, was built to centralize the distribution of inbound and outbound less-than-carload railroad freight at a union freight terminal in the basement and on the first floor. The upper floors were designed for lease to private tenants to support the construction and operation of the terminal and to house the Port Authority offices.

The railroads which originally operated the freight station in the building in the 1930's gradually phased out their operations as freight volumes declined and handling methods changed after World War II, and they ended their lease in 1963. The Railway Express Agency used the basement and later the first floor for handling less-than-carload freight until recently. The Port Authority's headquarters were moved to The World Trade Center in the spring of 1973.

Bus Terminal

During 1973, 64,000,000 passen-

gers arrived at or departed from the Port Authority Bus Terminal on 750,000 long haul and 1,500,000 short haul buses, an increase of nearly 10 percent over the previous year's traffic totals. This increase was a result of additional business generated by the entry of three new carriers—Carolina Coach, Cherry Hill Transit, and Pocono Mountain Trails and restoration of service by Safeway Trails and Transport of New Jersey, which suffered substantial declines in traffic in 1972 as a result of driver strikes.

The year's bus movements reflected a basic stability in the longer distance segments of travel, and a continuing gain in middle distance travel to outlying commuter areas and resort sites.

In 1970 a program was approved for an extension to the Port Authority Bus Terminal and for a direct below-grade bus roadway connecting the terminal with the Lincoln Tunnel. The extension was intended to provide added bus facilities in midtown Manhattan to meet the region's growing needs for middle distance bus facilities, to relieve present crowding on the bus terminal's long haul and suburban passenger concourses, and to improve pedestrian and vehicular traf-

The Port Authority Bus Terminal at Eighth Avenue and 40th Street in mid-Manhattan is the world's busiest mass transportation terminal. Opened in 1950, the terminal was expanded in 1963, adding another bus operating level. The George Washington Bridge Bus Station, built as part of the bridge's lower level expansion project, opened in 1963. It replaced widely scattered street-level bus loading areas and speeded travel time for commuters. In addition, the Port Authority operates the New York Union Motor Truck Terminal, opened in 1949; and the Newark Union Motor Truck Terminal, opened in 1951.



fic conditions in the vicinity of the terminal. By the end of 1973, planning and design for the project had progressed substantially. The necessary approvals for the work and functional plans had also been cleared with the requisite municipal authorities.

During 1973, a number of major changes in the outlook for mass transit facilities in the metropolitan region began to take more definite shape. The New Jersey and New York State Legislatures authorized expanded and modernized suburban rail systems serving the two States. Although the demand for increased bus service from rural areas of New Jersey not conveniently served by rail continues and overcrowding remains a problem in many areas of the bus terminal, some reduction in demand for short haul space is foreseen as a result of the announced rail improvement programs. For this reason, a reappraisal of the overall need and size of the bus terminal expansion project is under way. This reappraisal points towards a more modest project but one which will alleviate the existing over-crowded situation.

The bus terminal, faced with the loss of patronage of some of its consumer services (with the exit of the nearby McGraw-Hill personnel) and anxious to maintain its role as an excellent place to shop despite its proximity to a changing urban area, embarked on a program to improve its image and popularize its many services. A Bus Terminal Merchants' Association was formed by retail store owners, carriers, the Port Authority, and other concerned individuals. The association conducted several successful pro-

motional programs, notably a "Spring Festival," with special sales, art exhibits and live musical performances. These drew excellent media coverage and renewed interest in the bus terminal's many stores by commuters, travelers and neighborhood inhabitants. Another highlight of the endeavors to bring together these many diverse elements was inauguration of a "Fire Prevention Week," which brought out the firefighting apparatus of some 15 participating communities in the Port District.

George Washington Bridge Bus Station

The George Washington Bridge Bus Station accommodated 11,500,000 bus passengers in 1973. The facility, which serves mostly northern New Jersey and New York's Rockland County, is used primarily as a transfer point to the New York City subway system for commuters destined for midtown and lower Manhattan. The Station continues to be a convenient as well as time-saving avenue of transportation for many commuters who would otherwise be forced to use already over-crowded midtown facilities.

Short haul movements, representing 90 percent of the bus station's activity, totalled 375,000. Long haul traffic, which in recent years has shown increased usage by New England-bound travelers, made up the remainder of the station's 417,500 arrivals and departures.

The Bus Station expanded its good neighbor policy in 1973 by providing space to Selfhelp Community Services, an organization

whose aim is to provide assistance to senior citizens. Throughout the week, on a scheduled basis, assistance may be obtained in the Self-help office from the Visiting Nurse Service, New York City's Department of Social Services, Meyer Manhattan Hospital and other local agencies serving the needs of the aged.

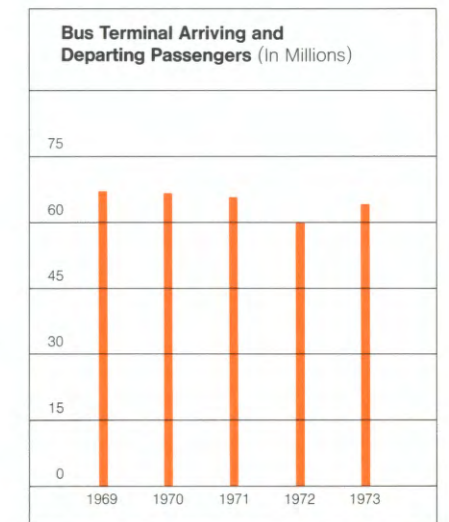
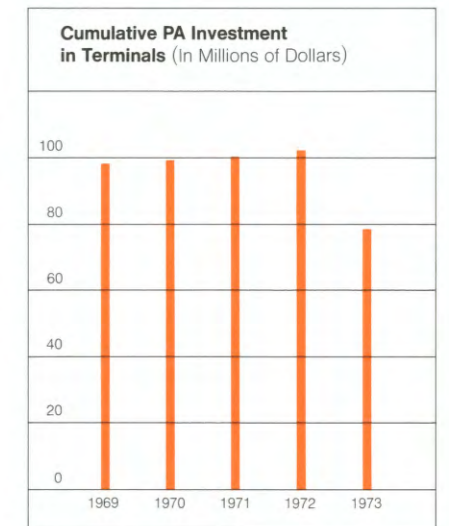


Photo at left: The 200,000 daily patrons of the Bus Terminal were brightened by the week-long "Spring is Here" campaign held in March 1973.

Target date-late 1974

626,368 passengers arrived during '73

Port Newark- 25th year

Construction proceeds at Passenger Ship Terminal

12½ million long tons of cargo at six marine terminals



Marine Terminals

General cargo tonnages at the Port Authority's six marine terminals totaled 12, 617,000 long tons for 1973, a 3.6 percent increase over 1972.

By year end 1973, more than \$86 million in new Port Authority marine terminal construction and expansion was completed or under way.

Passenger Ship Terminal

In 1973 work continued on the six-berth \$35.9 million Passenger Ship Terminal between 48th and 52nd Streets on Manhattan's Hudson River waterfront. The new terminal will be financed initially by the City of New York and constructed and operated by the Port Authority under a 20-year lease. The terminal is scheduled for completion in the fall of 1974. The bi-State agency will collect user charges from steamship lines to cover rental payments to the City and operating and maintenance costs.

Terminal construction involves the rebuilding of the exteriors of Piers 88, 90 and 92 and refurbishing their interiors. Temperature-controlled passenger lounges, improved customs and baggage handling facilities, rooftop parking for 1,000 cars, and a roadway system permitting rapid and easy loading and unloading of taxis and private automobiles will be provided at the new terminal. With the addition of Pier 40 at Houston Street as a companion three-berth facility, there will be a total of nine steamship berths to accommodate transatlantic and cruise liners.

During construction of the new terminal, the Port Authority is operating interim passenger facilities

at Piers 40, 84, 86 and 97. Some 626,368 passengers used these interim facilities during 1973, the first full year of operation. There were also 461 ship arrivals, of which six were maiden voyages, among them the Russian flag "Mikhail Lermontov."

Port Newark

Port Newark, an 800-acre marine terminal complex located on the western shore of Newark Bay, marked its twenty-fifth year of Port Authority operation in March 1973.

The seaport had been operated by the City of Newark since October 1915 as a waterfront facility to meet the needs of growing urban industry. Faced with substantial capital requirements for a multitude of civic improvement projects following World War II—including the redevelopment of Port Newark—the City of Newark asked that the Port Authority un-

dertake future development of the seaport (and the adjacent airport) and thereby relieve Newark taxpayers of the obligation to provide capital funds necessary for the project. Responsibility for development and operation of the seaport was vested in the Port Authority in 1948, and a long-range redevelopment program was started immediately.

When the Port Authority assumed responsibility for Port Newark, there were only 14 usable deep-sea berths. Transit sheds, cargo buildings, roadways and railroad tracks were in a state of complete disrepair. Today, Port Newark ranks among the premier ocean cargo terminals in the world, with its 36 deep-sea berths, transit sheds and more than two million square feet of covered cargo distribution space.

The Port Authority also continued efforts to expand Port Newark's refrigeration capacity for

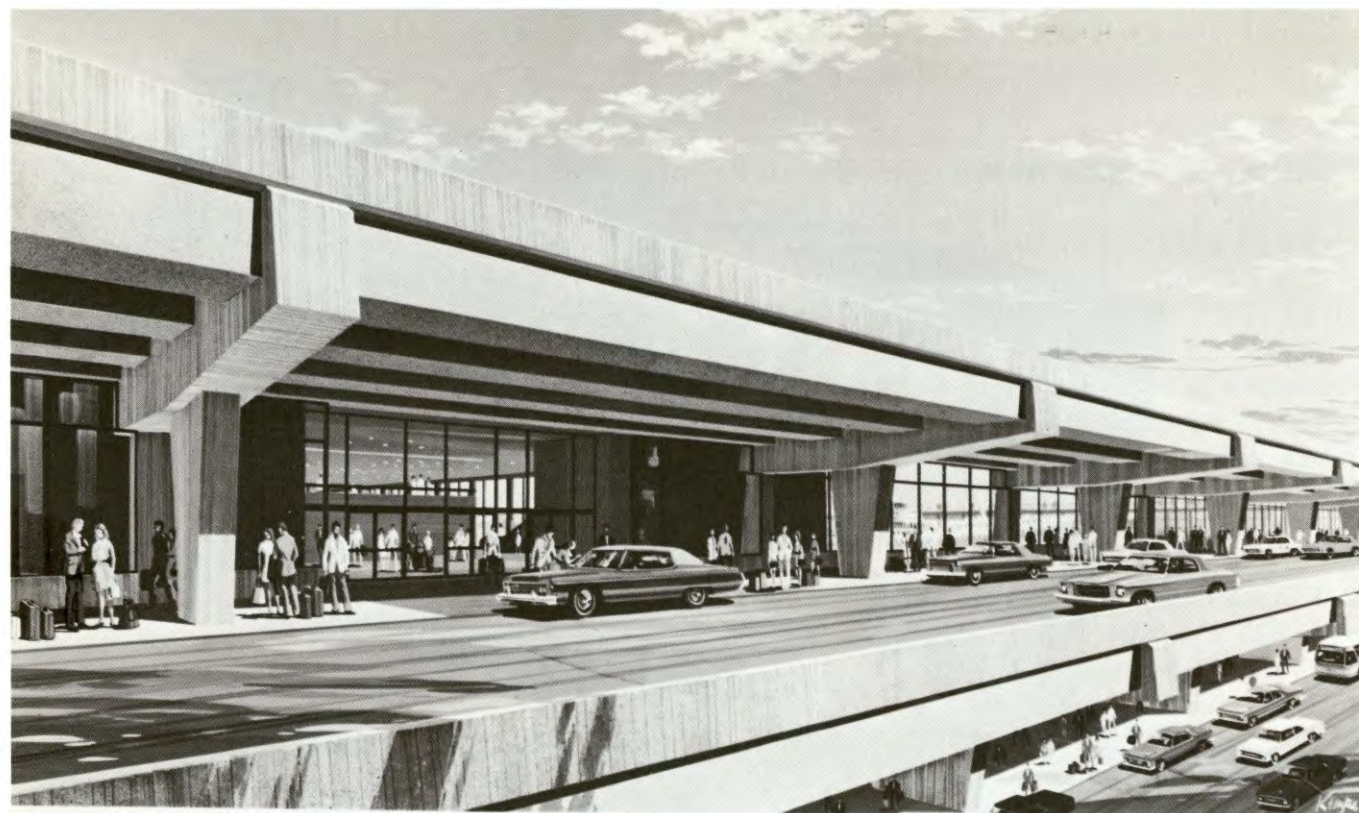
The Port Authority, under lease from the City of Newark, began the redevelopment and operation of Port Newark (opened in 1915) and Newark Airport in 1948.

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

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

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

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



Construction of the Passenger Ship Terminal progresses, with completion set for the latter part of 1974. In the completed terminal, a bi-level roadway will permit easier access for arriving and departing passengers.

handling frozen meats and other perishables. Work began during the year on 50,000 additional square-feet of temperature-controlled space at Shed 153 operated by Refrigerated Express Lines. The new temperature-controlled area will allow two vessels to discharge their entire cargo at once and have it picked up, at will, directly from shipside during normal working hours. Long-term storage of refrigerated cargoes will continue to be handled in the 60,000 square foot cold storage facility operated by Port Newark Refrigerated Warehouse, Inc.

At Port Newark, reconstruction of Berths 21 and 23 in the former Navy Area was completed. At year's end, a contract was awarded for construction of additional berthing space immediately adjacent to Berth 21 and 23, which will complete the wharf construction phase

of the Navy Area project. The development of additional upland area on Newark Bay moved forward with completed placement of fill to begin sand-surge within an area of 81 acres.

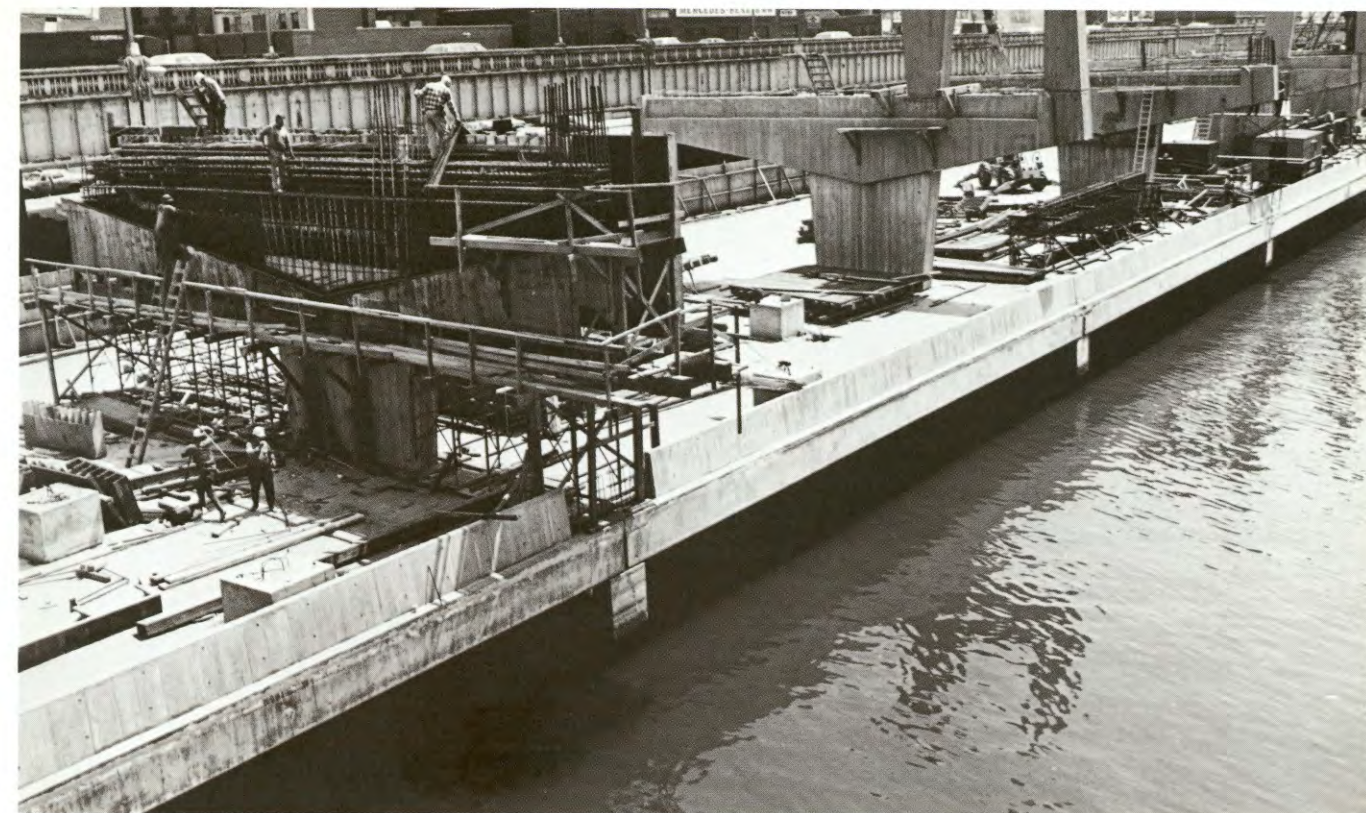
When the Navy Area construction is completed in 1976, Port Newark will have additional upland area along 2,100 linear feet of new berthing space. At that time, the Port Authority's total investment in the seaport will be \$185 million.

Expansion of Universal Maritime Service Corp.'s container terminal on the Elizabeth Channel at Port Newark proceeded with the construction of a new 201,000-square-foot transit shed. Universal's expanded terminal, to be completed in 1974, will comprise 3,058 feet of berthing space, 60 acres of supporting upland area and two container cranes.

Under proposed and pending agreements with the Penn Central Transportation Company and the New Jersey Turnpike Authority, marine terminal activity in Newark will be expanded by almost 118 acres to accommodate the steadily growing volume of worldwide waterborne commerce.

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

Approval of the agreement by



Passenger Ship Terminal construction involves rebuilding the exteriors of Piers 88, 90 and 92.

the City of Newark was pending at year's end. With it, the Penn Central would gain substantial new revenues, and the City itself could realize tax revenues amounting to nearly \$1 million a year.

Under a proposed agreement with the New Jersey Turnpike Authority, subject to consent by the City of Newark, the Port Authority will lease Turnpike land located north of Port Street between the Turnpike viaduct and the northerly line of the Port Newark leasehold. Duration of the lease will be the same as the lease agreement with the City of Newark which expires in 2016.

Elizabeth Expansion

At the Elizabeth — Port Authority Marine Terminal, substantial progress was made on two major projects: Sea-Land Service Inc.'s new 232-acre container terminal, and

expansion of Maher Terminal Inc.'s container facility.

At Sea-Land's new terminal there are 4,519 feet of berthing space, 40-foot-depth berths, a turning basin, wider access channels to the berths and six shore-based gantry container cranes. The terminal's entry complex, truck maintenance garage, container repair facility, Marine Operations building, Customs building, stuffing and stripping shed, and longshoremen's shelter will be phased into operation by Sea-Land in early 1974.

The Maher Terminal expansion project at Elizabeth was highlighted by an accelerated start on construction of a 223,500-square-foot extension to the presently operational 147,500-square-foot stuffing and stripping shed. Work on this project is scheduled for completion in the spring of 1974. In addition to the stuffing and strip-

ping shed, the expanded terminal will comprise 2,400 feet of berthing space, 153 acres of supporting upland area with three container cranes and a maintenance garage.

There are now 19 container cranes serving 18 fully equipped container berths along 16,394 linear feet of quay at the Elizabeth terminal. When fully operational,

Marine Terminals at a Glance

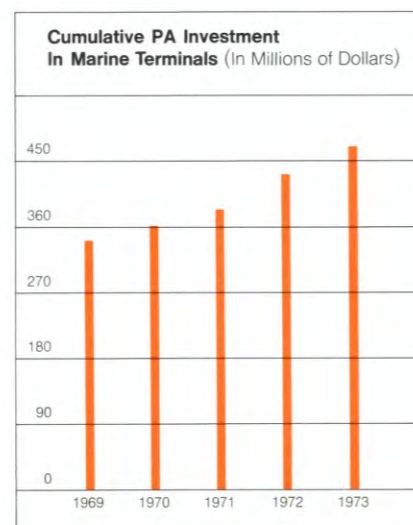
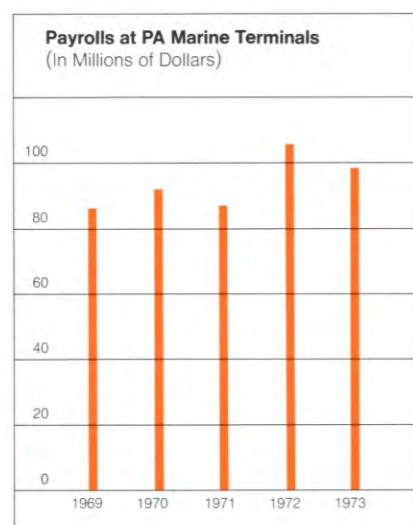
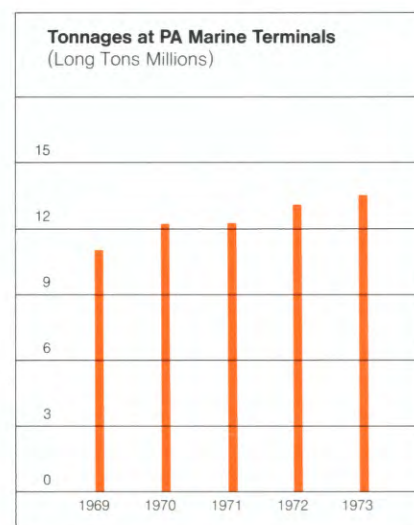
All Terminals	
Ship Arrivals	3,877
General Cargo (Long Tons)	12,617,100
Total Employment	9,041
Estimated Total Payroll	\$98,233,000

New Jersey Marine Terminals	
Ship Arrivals	2,270
General Cargo (Long Tons)	10,893,203
Total Employment	6,132
Estimated Total Payroll	\$65,745,000

New York Marine Terminals	
Ship Arrivals	1,607
General Cargo (Long Tons)	1,723,897
Total Employment	2,909
Estimated Total Payroll	\$32,488,000



Major construction at Elizabeth brought that project closer to completion. When complete it will handle 12 million tons of containerized cargo a year.



it will have the capacity to handle 12 million tons of containerized cargo a year.

Construction began during the year on properties leased by the Port Authority in 1971 and 1972 from the Central Railroad of New Jersey. Port Authority plans for the development of the 246 acres call for an estimated investment of

\$38.6 million for additional distribution space and upland marshaling areas to meet future cargo demands. A new 4,750-foot-long, four-lane roadway linking Bay Avenue with North Avenue will supply the seaport with improved southerly access.

This development project would bring substantial new revenues to

the Central Railroad of New Jersey and the City of Elizabeth could gain tax revenues from the railroad amounting to more than \$1 million a year when the properties are fully developed.

During 1973 considerable attention was also devoted to roadway improvements at the Elizabeth-Port Authority Marine Terminal. In an

agreement with the City of Elizabeth, the Port Authority undertook widening and rehabilitation of North Avenue East from two to four lanes, from its intersection with Division Street to the easterly line of the Central Railroad of New Jersey right-of-way. As part of the project, construction began during the year on an additional four-span 250-foot-long two-lane bridge on North Avenue East across the CNJ property.

A contract was awarded for actual roadway work. The existing 22-foot roadway requires regrading and widening, drainage system improvements and new shoulders. In addition, portions of the widened roadway required surcharging before placement of pavement. The total project cost is estimated at \$1,585,000, and is scheduled for completion in the summer of 1974.



In Memoriam

A. Lyle King, Director of Marine Terminals for The Port Authority of New York and New Jersey since 1952, died December 10, 1973, at the age of 67.

Mr. King, who joined the Port Authority in 1947, was a driving force in the development of modern marine facilities in the bi-State Port. He was responsible for the planning, construction and operation of all Port Authority marine terminals. He was among the first in the world to envision the use of large containers to handle cargo on

ships, a method that revolutionized the maritime industry.

His instruction and influence helped maritime representatives from around the world to go forward with the development of modern facilities in their own ports.

In his memory the Commissioners at their December meeting noted the Port Authority's loss in Mr. King's passing, reviewed his contributions and designated the northerly entrance to the Elizabeth Marine Terminal as Lyle King Street.

South Brooklyn Waterfront Redevelopment

At the request of the City of New York, the Port Authority has been working on plans for jointly developed container terminal facilities in Brooklyn along Buttermilk Channel, the waterway that separates

Governors Island from South Brooklyn. A physical plan was worked out with the community which would meet the requirements of all concerned. Discussions of financial plans and lease terms for this project continued with the City.

*LaGuardia Airport
served over 14
million passengers
during 1973*

*Newark
International
Airport
New Terminal
opened*



*JFK-
25 years of service*

Air Terminals

Air passenger travel at Port Authority airports reached a record high during 1973. Kennedy International Airport, LaGuardia Airport and Newark International Airport served a combined total of 42,252,000 domestic and international passengers, a 1 percent gain over 1972.

The domestic total of 30,440,000 passengers was 1 percent higher than in 1972. Devaluation of the U.S. dollar overseas and higher transatlantic air fares deprived the overseas travel market of much of its usual vigor. A total of 11,812,000 passengers was served, an increase of nearly 3 percent over the previous year.

The number of aircraft movements at the three airports remained almost static, reflecting the introduction of more wide-body aircraft, with their greater passenger and cargo capacity, suspension of Trans World Airline service in November due to labor problems, and schedule reductions brought on by aviation fuel shortages at year end.

Planning, design and related work for the high-speed rail links between Manhattan and Kennedy International, and for PATH extension to Newark International and beyond to Plainfield, moved toward completion during the year.

Construction drawings and specifications for the Kennedy rail service alignment between the northwest airport boundary at Howard Beach and a rail terminal in the Central Terminal Area neared completion. Functional planning for the airport rail terminal and the associated passenger distribution system will be com-

pleted in 1974. Functional planning and preliminary engineering design for the rail terminal at Penn Station, Manhattan was well under way by year end.

Construction drawings and specifications for the off-airport portion of the rail alignment, being prepared by a consultant for the Metropolitan Transportation Authority, were essentially complete by year end.

Details on development of the corresponding New Jersey rail-links, the extension of PATH to Newark International Airport and on to Plainfield can be found on page 12 in the section on PATH and Rail Transportation.

Newark International Airport

During 1973, Newark International Airport, the Port District's pioneer air terminal, became its most improved aviation facility. A new 425-acre terminal area was formally dedicated on September 12 and, by year end, all scheduled

airline operations were being conducted from the new terminals A and B. Terminal C, the third new terminal, will be completed in stages to meet traffic demands at the airport.

Opening of these facilities marked completion of the major portion of a \$400 million Newark redevelopment program begun some ten years ago. Over the last decade the airport has undergone a complete transformation.

Each terminal building—800 feet long and 165 feet wide—has an upper departure level with space for airline ticketing; a second arrival level for airline baggage claim and ground transportation facilities; and a ground level parking area extending under the arrival and departure roadways and the terminal building. This completely eliminates pedestrian traffic across roadways, a major source of congestion at most airports. The eating facilities, retail stores and other passenger services are on an intermedi-

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

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

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

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

The new Newark International Airport was officially opened at a dedication ceremony on September 12, 1973. Mayor Kenneth Gibson of Newark is shown at the rostrum. Other speakers were Governor William T. Cahill, Chairman James C. Kellogg, III, Mayor Thomas Dunn of Elizabeth, and Undersecretary of the Department of Transportation John Barnum.

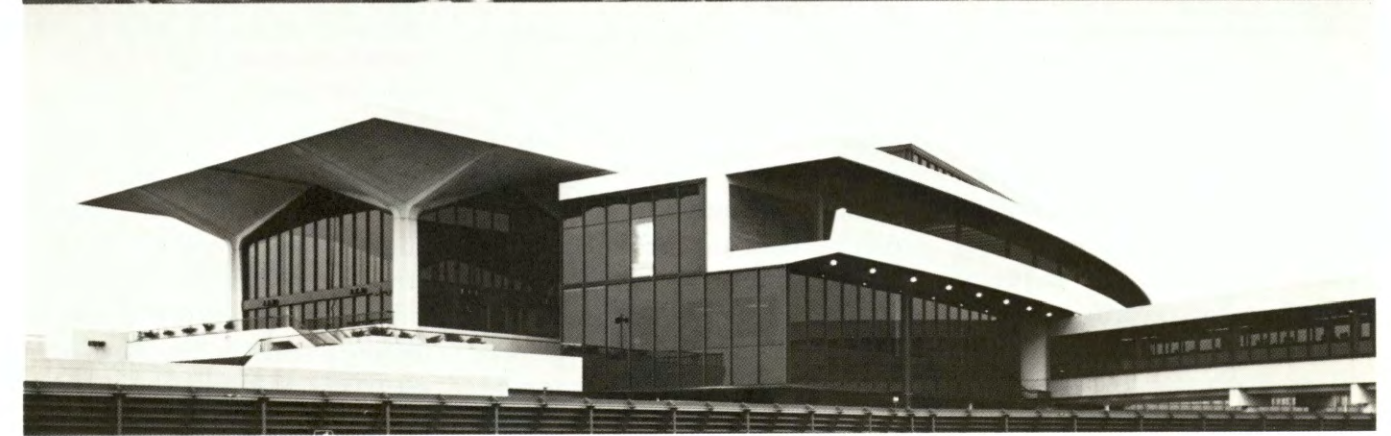
ate level between the airline ticketing and baggage claim levels. Six of the eleven new patron services are run by minority entrepreneurs.

Each terminal has three circular satellite structures joined to the main building by connectors. The satellites are about 200 feet in diameter with an upper level for flight departure rooms and some airline and patron service areas, and a lower level for airline operations. When all nine satellites are completed, they will be able to accommodate 83 of the latest aircraft, including wide-body jets, two and a half times the airport's previous handling capacity.

The airport's 14 miles of new roadway provide convenient access to each airline terminal and to long-term reduced rate, daily and hourly-rate parking areas. Each terminal has its own separate arrival and departure roads in addition to an express roadway permitting traffic to bypass any or all terminals.

Parking facilities have been increased 75 percent with initial accommodation for 8,000 cars and capacity for more than 15,000 spaces to be added as needed. Reduced rate parking for extended periods is located on the south edge of the central area with regular bus transportation to the terminals, pending completion of the airport's completely automatic inter-terminal transportation system, planned for mid-1977.

An integral part of the airport's redevelopment program was construction of an additional runway parallel to the existing instrument





In 1973, John F. Kennedy International Airport, in its twenty-fifth year of airline service, served a record 21,000,000 passengers.

runway. The new 8,200-foot Runway 4L-22R, instrumented for approaches from the northeast, was commissioned in February 1970. Thereafter, the original runway, 4R-22L, was rehabilitated and extended to 9,800 feet. While the new runway is intended primarily for departures, the rehabilitated runway, with its displaced thresholds and 8,200-foot effective landing length, is primarily for arrivals. The new parallel runway system permits the airport to maintain operation under extremely poor weather conditions and increases flight operation capacity by about 50 percent.

The airport also has a new ten-million-gallon fuel storage farm to

be supplied by pipeline from Linden, New Jersey, and a new underground fuel distribution system to the terminal aprons where aircraft are fueled by hydrant carts. A Central Heating and Refrigeration Plant also has been built to serve all the terminals.

Plans are also under way for interim international facilities in the former terminal building, now called the North Terminal. Plans are being reviewed by Federal agencies for international inspection facilities and for refurbishing of interior passenger areas.

Work began during the year on foundations for a Port Authority Administration Building just southwest of the Control Tower. The

three-story structure will include a large Police Garage and office space to accommodate the expanded airport's increased staff.

Passenger traffic at Newark International Airport increased by 1 percent to a total of 6,835,000 in 1973.

John F. Kennedy International Airport

In 1973, its 25th year of scheduled airline service, Kennedy International Airport served 21,389,000 passengers. This was a 3 percent increase over the previous year, reflecting a 3 percent increase in overseas traffic and 4 percent increase in domestic traffic.

The \$65 million expansion to double the capacity of the International Arrivals and Wing Building was completed. The last two airline terminal expansions within the International Arrivals Building, representing an investment of \$4.7 million, were completed by El Al and Air India. The total airline investment in the complex now stands at about \$25,000,000.

Expansion of the Police-Operations Building was completed on foundations laid down with the original construction in the mid 1960's. The Main Police Garage was expanded to house the increased airport crash-fire-rescue fleet, and additional security and operations personnel.

Two lanes were added to the airport's North Boundary Road, converting the segment between the Rockaway Boulevard entrance to the airport and the 150th Street entrance into a four-lane highway. This improved traffic flow between the existing cargo area and the new cargo area. A new booster pump station increased water pressure for cargo area fire protection.

A 600-foot overrun area at the north end of Runway 4R-22L has been completed, and taxiway and runway strengthening and construction of erosion pavement for the new wide-body aircraft continued. In addition, Runway 13L-31R was grooved to provide increased landing safety during wet weather.

A new parking lot revenue control computer was installed in the Control Tower, and operation of the airport-wide parking control system was started during the first half of the year.

The largest tenant construction project completed was the \$100 million, six-fold expansion of the Pan American World Airway's passenger terminal, making it the na-

tion's largest single airline unit terminal. Pan Am's \$90 million Major Maintenance Base, covering an area of 43 acres, was also completed. A complex of three large maintenance buildings and a number of smaller ones, it includes a hangar and overhaul and repair facilities for wide-body aircraft.

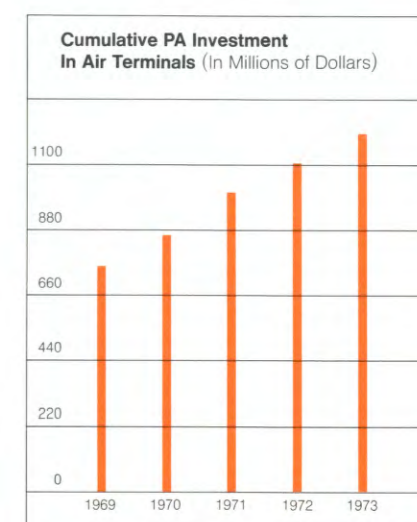
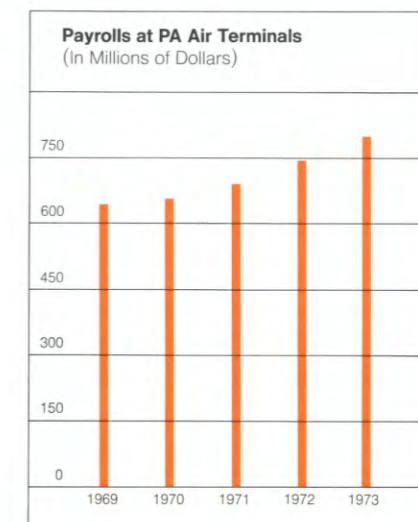
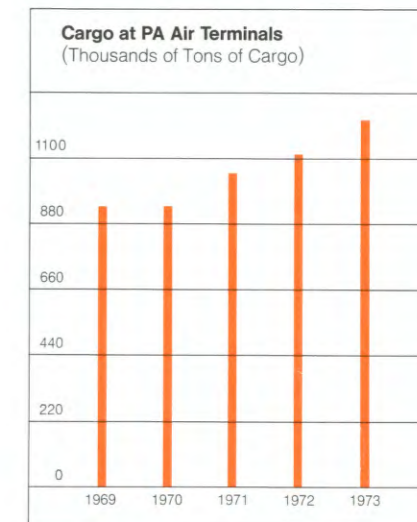
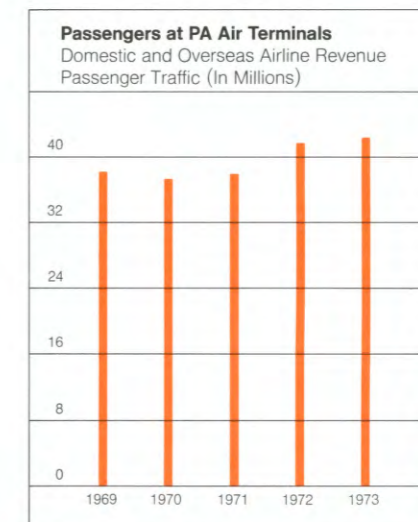
The new 140,000-square-foot \$17 million Lufthansa air cargo terminal went into full operation in mid-summer. A \$3 million conversion to cargo use of former Hangar 7 by Alitalia, Varig and Airlift International airlines was started and is scheduled for completion in late spring 1974. The Flying Tiger

Line began construction on a new cargo building and its 78,000-foot \$5 million terminal, also under construction, should be completed by the end of 1974. KLM began expansion of its cargo terminal in Building 87 at a cost of \$2 million; the anticipated completion date is March 1974.

LaGuardia Airport

Almost half the region's domestic air traffic was handled at LaGuardia Airport last year as the airport served 14,027,000 passengers, a 2 percent decrease from 1972.

Construction began in September on a five-level parking garage





At LaGuardia Airport construction began in September on a five-level parking garage that will provide 3,000 additional parking spaces.

to provide 3,000 additional parking spaces. Overpasses with moving walkways will connect the garage with the Central Terminal Building. Escalators within the garage and within the Terminal will connect to the overpasses. The garage's upper-level roadway will accommodate departing passengers, lessening congestion at the terminal building's curb frontage. Part of the South Terminal Roadway opposite the terminal building, which was converted into an area for loading and unloading passengers and baggage from private cars, is protected by a new pedestrian canopy.

Expansion of Parking Lot Number 5 by 1,200 spaces was started and the exit lanes were relocated.

New entrance and exit connections with the westbound lanes of Grand Central Parkway, nearly complete at year end, will permit drivers to exit directly from parking areas on the east side of the air-

port without passing through the main terminal area. A realigned exit from the Marine Terminal Area was completed, with new car-rental facilities on either side. A new employee parking lot, northeast of the Marine Air Terminal was put into operation.

Several airline tenants began reconstruction of LaGuardia's fuel tank storage facility on the west side of the airport, with a number of new 675,000-gallon tanks completed by year end. The new fuel farm will increase the airport's capacity from almost one million to 4.7 million gallons. The airlines also began building a pipeline from their jet fuel supply source in Long Island City. The total construction cost for the combined fuel supply project is estimated at \$9 million.

Teterboro Airport

Pan American World Airways, which operates Teterboro Airport

for the Port Authority, completed the last of five new hangars, at a project cost of \$5,500,000, as part of its long-term redevelopment of the airport.

A program of major runway rehabilitation continued with pavement overlays on major portions of the runway surfaces, grading and drainage in aeronautical areas, installation of navigational aids, construction of an airport security fence, and extensive paving of ramp and parking lot areas.

The year saw a steady increase in the number of business and private aircraft operations at Teterboro, and a continual decline in student training activities.

Energy Conservation

Impact of the national fuel shortage was felt as airlines across the nation entered into CAB-approved agreements to reduce flight schedules. The New York/Newark region

was among those affected, with a number of schedules on several routes reduced appreciably.

During the year several programs were developed to minimize jet fuel consumption by better utilization of aeronautical facilities. An FAA/airline/Port Authority task force worked to minimize departure delays during bad weather by determining alternate flight routes. The resulting new Severe Weather Avoidance Plan (SWAP) reduced such delays substantially, with a consequent reduction in fuel consumption.

At Kennedy International and Newark International, procedures were put into effect for holding aircraft at terminal departure gates with engines off until Tower Control determines there will not be a long fuel-burning queue of waiting aircraft at the end of the runway. A similar procedure for LaGuardia Airport presented a more difficult problem because of its tighter physical layout, but a plan is being developed by staff.

Reduction of roadway congestion also conserved fuel. One project, at Kennedy International, involved staggering the work schedules of 4,000 airport employees who travel to and from work during peak commuter hours. At year end, approximately 2,000 employees were involved in the program. Organization of employee car pools was encouraged at all airports, and the feasibility of employee bus service from Long Island communities to LaGuardia and Kennedy was being explored.

In those airport buildings where heating is the Port Authority's responsibility, thermostats were lowered from their normal setting to the mid-sixties. Tenants who heat their own buildings were strongly urged to follow the same policy.

Environmental Improvement

The Port Authority continued efforts to bring effective noise relief to airport neighbors. Acting through membership in the Airport Operators Council International, an organization of public airport operators, the Port Authority called upon the Federal Aviation Administration to broaden coverage of its proposed "Airplane Fleet Noise" rule to include U.S. aircraft engaged in overseas operations as well as domestic aircraft. The rule would require each airline to realign its fleet so that, either by phasing out older, noisier aircraft or "retrofitting" them with noise muffling devices, they would meet the Federal noise standard which now only applies to new and newly-certificated planes. The FAA was also urged to make it mandatory for foreign flag airlines operating at U.S. airports to meet this same noise standard.

Efforts to improve the community noise situation were made through further refinement of the experimental computerized preferential runway system at Kennedy International Airport. The program was designed to distribute flights more equitably over neighboring communities and reduce periods of continuous overflight.

Airport Security

A vast, unprecedented anti-hijack security program was put into effect during 1973 at Port Authority airports. New Federal rules require all passengers boarding scheduled U.S. flights to go through a series of personal and baggage checks as well as requiring the presence of an armed law enforcement officer employed by the airport operator.

To comply with Federal requirements, the Port Authority recruited, trained and equipped hundreds of new security personnel to take the

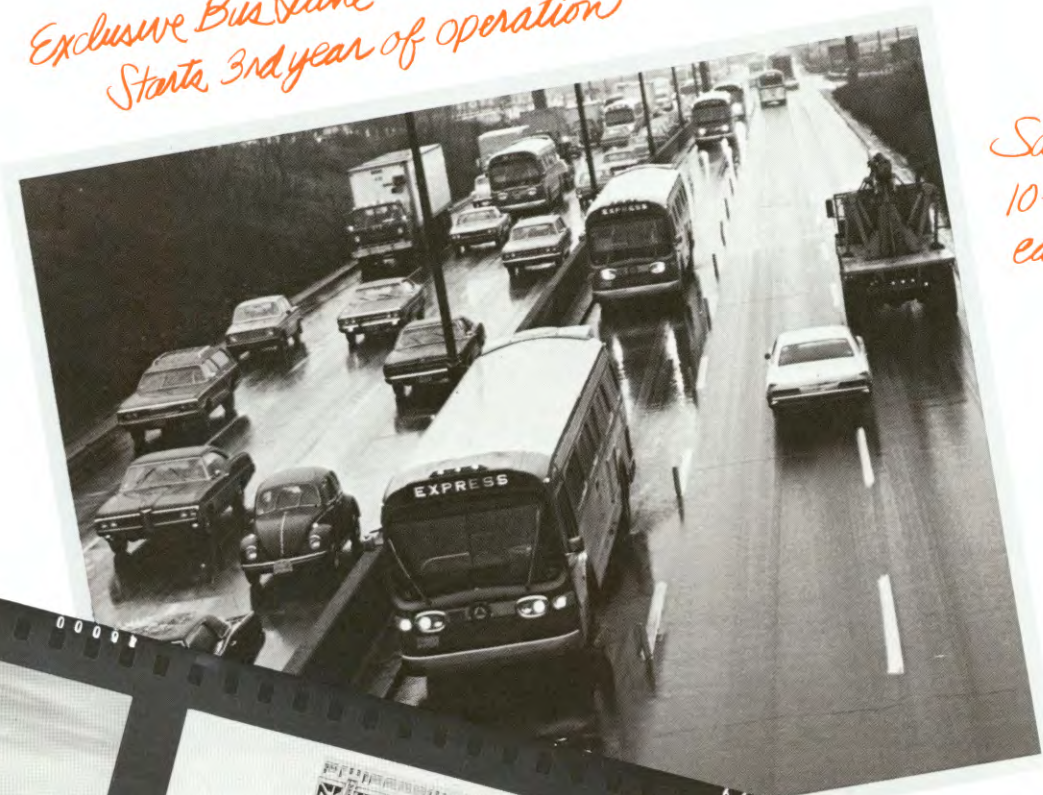
place of Federal law enforcement officers. Training courses at the Port Authority Police Academy were accelerated and thousands of recruit candidates screened. By April 16, the first graduating class of 58 was added to the Port Authority Police force. By October 1, almost 200 new men had been sworn in, and the Port Authority had taken over the entire boarding gate security responsibility from Federal forces.

In May, the largest scale security identification system in civil aviation history also went into operation. The program covers more than 35,000 employees of the Port Authority, airlines and corporations at the airports, and more than 10,000 vehicles. Only personnel and vehicles bearing proper identifications may enter operating areas and only through specified gates and doorways manned by security personnel.

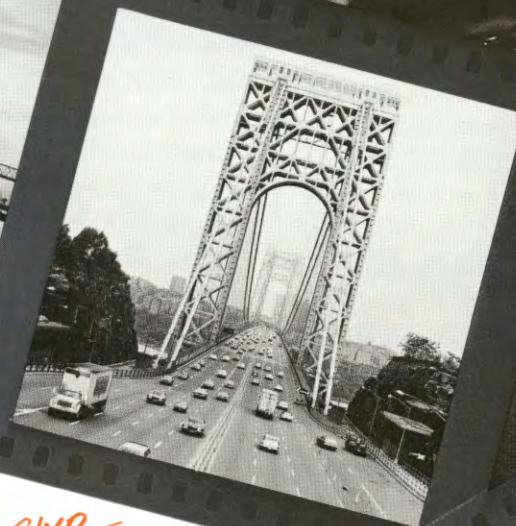
Airports at a Glance

Totals at the Three Major Airports	
Plane Movements	872,000
Passenger Traffic	42,252,000
Cargo—(tons)	1,236,000
Revenue Mail—(tons)	214,000
Total Employment	54,782
Estimated Total Payroll	\$795,000,000
John F. Kennedy International Airport	
Plane Movements	346,000
Passenger Traffic (total)	21,389,000
Domestic	9,967,000
Overseas	11,422,000
Cargo—(tons)	1,011,000
Total Employment	40,168
Estimated Total Payroll	\$575,000,000
LaGuardia Airport	
Plane Movements	320,000
Passenger Traffic	14,028,000
Cargo—(tons)	62,000
Total Employment	8,612
Estimated Total Payroll	\$135,000,000
Newark International Airport	
Plane Movements	206,000
Passenger Traffic	6,835,000
Cargo—(tons)	163,000
Total Employment	6,002
Estimated Total Payroll	\$85,000,000

*Exclusive Bus Lane -
Starts 3rd year of operation*



*Saving commuters
10-25 minutes
each day*



*The GNB -
world's only 14-lane
suspension bridge*



Tunnels and Bridges

Traffic at the Port Authority's six interstate vehicular crossings totaled 164,344,013 vehicles in 1973, an increase of 4,867,659 over 1972, or 3.1 percent.

At the three Staten Island bridges traffic growth was strong, recovering from a year's diversion away from the Verrazano-Narrows Bridge, following its toll increase. Heavy traffic at the Goethals Bridge, especially affecting leisure-oriented motorists, limited traffic growth, though a 3.2 percent increase was recorded at that facility. The Outerbridge Crossing registered an increase of 7.0 percent, much of it traffic diverted from the Goethals Bridge.

At the Bayonne Bridge, the 4.9 percent increase reflects the continuing preference of Staten Island motorists who apparently seek to avoid using the Verrazano-Narrows Bridge.

Though opening of the Bruckner Interchange on the Cross-Bronx Expressway eased some congestion on George Washington Bridge arterials, severe peaking problems, especially during the summer, continued to hold down the number of weekend and holiday trips. During heavy weekday peaks, the George Washington Bridge's Express Bus Lane provided a faster, safer trip for buses bound for the George Washington Bridge Bus Station and points east. Traffic at the bridge registered a 3.9 percent increase during 1973. At the Lincoln Tunnel, off-street ramps to the Bus Terminal in New York and an Exclusive Bus Lane in New Jersey in operation every weekday morning, handled the four out of five Manhattan-bound passengers who travel

by bus. Growth at that facility was 0.7 percent. At the Holland Tunnel, an increase of 2.4 percent partly reflected increased bus and auto traffic during the PATH strike in April and May when facility operating personnel handled more than 1,000 extra buses daily to carry the displaced railroad passengers.

Truck traffic returned to normal levels after a long lag following the business decline of 1970-71, with particular growth in the number of tractor-trailers using the George Washington Bridge.

Regional Traffic

The Port Authority continued to provide safe and efficient facilities in the metropolitan region through the operation of key crossings that form the northern and southern bypass routes around Manhattan. The bypass concept was developed in the mid-1950's as part of a joint Port Authority and Triborough Bridge and Tunnel Authority study of regional arterial highways. In 1973, more than two-thirds of the traffic at Port Authority facilities

used links which make up the bypass system—the George Washington Bridge to the north and the Staten Island bridges to the south. Motorists now use these crossings rather than the two Hudson River tunnels into Manhattan's Central Business District.

Early in 1974, the connection between New Jersey Route 440 and the Outerbridge Crossing is expected to open to traffic. Though this arterial system will not be finished until New York State completes the West Shore Expressway sometime in 1975, the partly finished route is already providing some relief to the severely congested Goethals Bridge. Surveys show that when this link between the Outerbridge Crossing and the Verrazano-Narrows Bridge is complete, as many as one-third of present Goethals Bridge patrons will benefit by using the new route.

Research

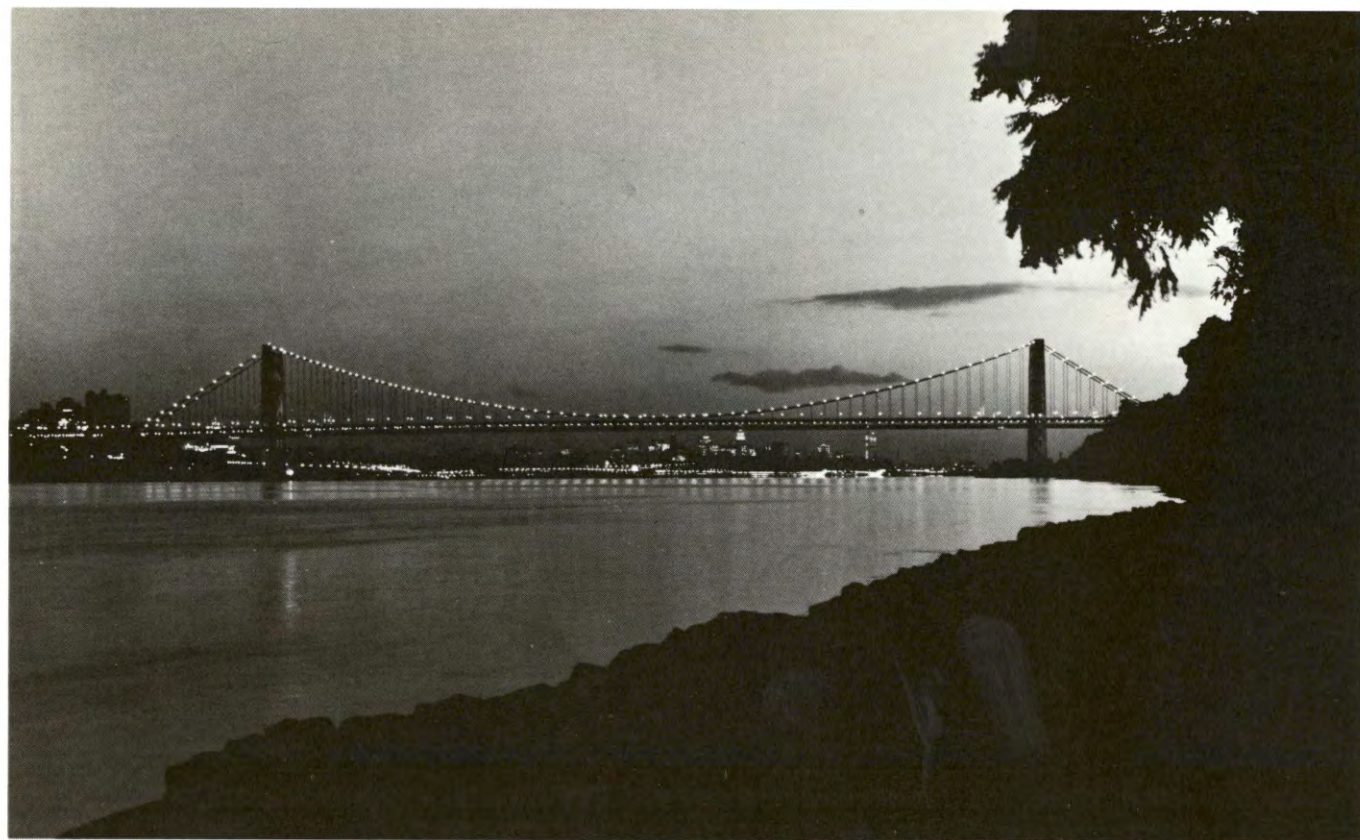
The Port Authority's participation in the United States Department of Transportation's Urban Corridor

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

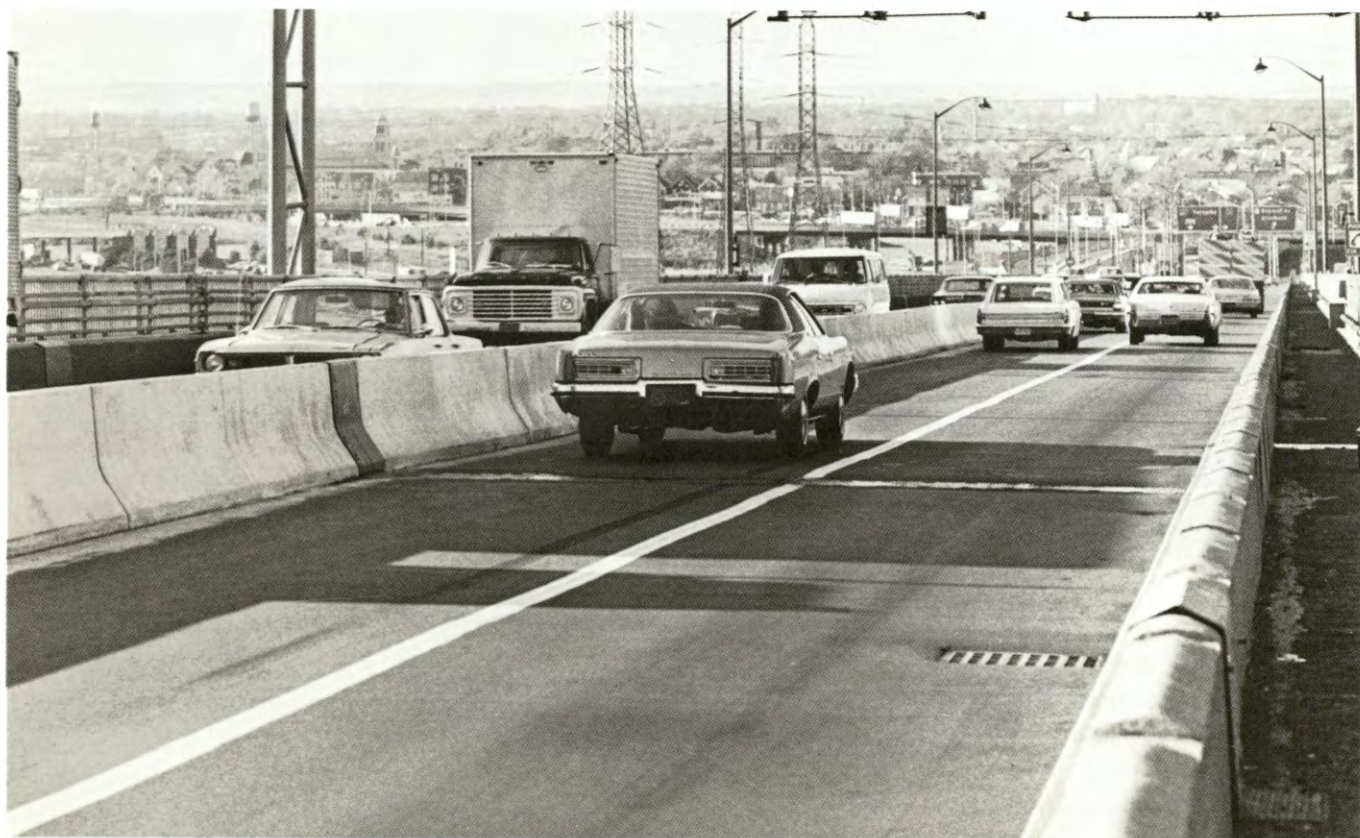
The following year, the two States authorized the Port Authority to build, operate and maintain the George Washington Bridge (begun in 1927 and opened in 1931; lower level begun in 1958 and opened in 1962). The Bayonne Bridge was authorized by New Jersey in 1925 and by New York in 1926 (begun in 1928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

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

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



The decorative lights of the George Washington Bridge, so familiar to area residents, were turned off in late 1973 as part of the Port Authority's energy conservation program.



At the Goethals Bridge a traffic signal system was installed in 1973 to coordinate with the median barrier which had been completed in 1972.

Demonstration Program continued during 1973 with evaluation of the automatic vehicle identification system set up to monitor bus movements in the Interstate 495 (I-495) corridor between the New Jersey Turnpike and the Port Authority Bus Terminal. A computer system demonstrated that data valuable to bus and terminal operators for improving their operational efficiency could be produced. The possibilities of non-stop toll collection were indicated when the automatic vehicle identification system provided an accurate record of bus movements through toll lanes. At the study's conclusion, a definitive report recommended such an identification system be installed under federal sponsorship to provide data on buses using the I-495 corridor.

A companion study in the Urban Corridor Demonstration Program set up a bus priority traffic management system for the same corridor. This involved a traffic surveillance system like that used inside the Lincoln Tunnel for the tunnel's main New Jersey approach roads and, like the automatic bus identification project, it used computer system. Improvements to peak hour traffic flow suggest that the system should be continued, and its continuation is now planned.

The computer, so useful for traffic surveillance and control, is now being utilized in other areas of tunnel and bridge operations. A computerized tunnel ventilation and utility control system now in the study phase may well result in optimum use of such equipment at the Holland and Lincoln Tunnels.

Staten Island Construction

Construction of a new \$8.6 million Outerbridge Crossing toll plaza, begun in 1972, continued during 1973 with work on the field service

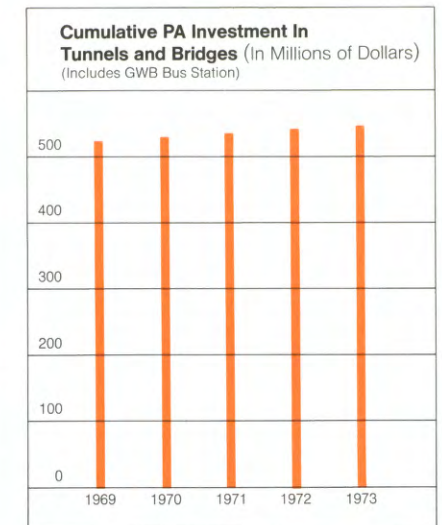
building, tool booths and canopy. When completed in late 1974, the plaza will have seven new toll lanes. The new field service building will house facilities for maintenance, police and toll personnel. The old toll booths and service building will handle operations until the new plaza facilities are completed.

On the opposite end of the bridge, where the New Jersey Department of Transportation planned to open Route 440, upgraded lighting, protection devices for roadside safety hazards, and a safety pullout area for trucks requiring special escorts were installed. The Port Authority's financial contribution to the project amounted to \$100,000.

To facilitate maintenance and provide a safer working environment for personnel at all three Staten Island bridges, cable handrails and scaffold hangers were installed along the top cords of the main spans of the Outerbridge Crossing and Goethals Bridge. On the Bayonne Bridge access ladders were installed at critical locations. At the Goethals Bridge work started with the installation of a personnel catwalk under the New York viaduct and will continue into 1974 on the New Jersey viaduct.

Traffic Control System

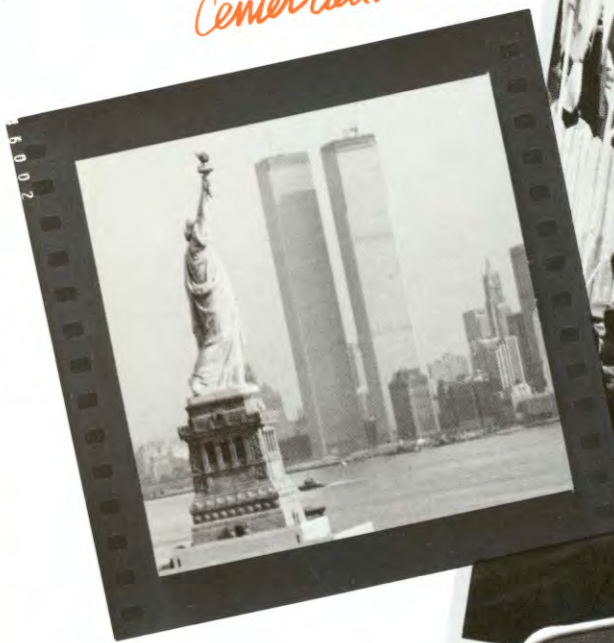
In conjunction with installation of the Goethals Bridge median barrier in 1972, a companion traffic control system was completed in the fall of 1973. Overlane traffic control units installed at nine locations on the bridge and approaches permit emergency equipment to respond quickly and safely under the new constraints of the barrier. They will also be used to advise motorists when a lane is closed for bridge roadway maintenance.



Crossings (traffic in thousands)

	1973	1972
All Crossings		
Automobiles	143,434	139,252
Buses	3,437	3,101
Trucks	17,473	14,123
Total Vehicles	164,344	159,476
George Washington Bridge		
Automobiles	72,598	70,085
Buses	531	512
Trucks	7,017	6,570
Total Vehicles	80,146	77,167
Lincoln Tunnel		
Automobiles	26,465	26,425
Buses	2,639	2,396
Trucks	3,747	3,788
Total Vehicles	32,851	32,609
Holland Tunnel		
Automobiles	17,948	17,346
Buses	141	78
Trucks	3,675	3,829
Total Vehicles	21,764	21,253
Staten Island Bridges		
Automobiles	26,423	25,396
Buses	126	115
Trucks	3,034	2,936
Total Vehicles	29,583	28,447

The World Trade Center dedicated



Interfile computer linked to London and Tokyo



Customhouse operation commenced

World Trade

The increasing role of The World Trade Center as principal headquarters for international trade activity in the New York/New Jersey area was emphasized in 1973 by: formal dedication of the Trade Center itself, the growing number of tenancies, and the formal dedication and commencement of operations at the United States Customhouse.

On April 4, more than 4,500 distinguished guests, including Governor Nelson A. Rockefeller of New York and Governor William T. Cahill of New Jersey, participated in ceremonies marking the formal dedication of The World Trade Center.

On October 15, the new Customhouse was opened for official business and four days later 1,500 guests were present at formal dedication ceremonies and were addressed by William E. Simon, Deputy Secretary of the Treasury.

By the end of the year, almost 400 firms and organizations, representing 50 nations throughout the world, occupied space in the project. They represent all phases of international trade activity and include exporters, importers, American and overseas manufacturing firms, international banks, freight forwarders, Customhouse brokers, trade associations, foreign government trade development offices, steamship lines, agents and brokers. At year end, approximately 17,000 people were working at the Center.

Indicative of the increasing importance of The World Trade Center is the concentration of Japanese firms and organizations in the project. At present, 43 leading Japanese companies have offices in the Center, comprising the largest Jap-

anese trade community in the United States. The Center's importance is further reflected in its concentration of international banks and financial organizations, 26 of which have already occupied space in the project, providing a major financial resource for international businessmen.

The World Trade Center also became the home of the Port Authority administrative staff during the past year. Virtually all activities and personnel housed in the former Port Authority headquarters at 111 Eighth Avenue were transferred to space in One World Trade Center.

U.S. Customs

A major step toward The World Trade Center's full implementation as a facility for international commerce was the move of the United States Custom Service to its new facility, in the Northwest corner of The World Trade Center. The new Customhouse provides businessmen in the bi-State Port with a full range of international trade services at one convenient site, eliminating the delays and inconveniences which resulted from the dispersal of Customs and appraisal activities at

separate downtown Manhattan locations.

The Customhouse opening culminated more than thirteen years of discussions, negotiations and construction activity involving the Port Authority, the General Services Administration, the Custom Service, and Congress. Customs officials had said that centralization of Customs facilities, as exemplified by the new Customhouse, would be necessary to handle efficiently the increased volumes of international commerce projected for the future. Efficient facilities like the Customhouse provide impetus for better administrative processing of world trade, thus contributing to the ability of the American manufacturer to compete more effectively in world markets.

Information and Communications

Information on world trade markets, regulations and opportunities was supplied to almost 2,000 businessmen by the World Trade Information Center during 1973, its first full year of operation. The Information Center utilizes a computerized index of information services, Interfile, to assist World Trade Center tenants and other interna-

The flow of international commerce through the New Jersey-New York Port is the foundation of the economy of the region, and the Port competes with other ports for that business. In accordance with the Port Compact of 1921, the Port Authority, therefore, carries on a continuing program to encourage the shipment of cargo via this port. To accomplish this program, the Port Authority maintains Trade Development Offices across the world.

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

The World Trade Institute provides a forum where international businessmen can meet to explore new markets, discuss mutual problems and develop the concepts, techniques, and procedures that can lead to expanded world trade.



Governor William T. Cahill at the rostrum of the Trade Center dedication, with Chairman James C. Kellogg, III, and Governor Nelson A. Rockefeller.



The Commissioners of the Port Authority and other honored guests in the audience at the Trade Center dedication ceremonies.



Deputy Secretary of the Treasury William Simon addressed 1,500 assembled guests at the dedication of the new U.S. Customhouse October 19, 1973.



tional businessmen in the conduct of their operations. Through Interfile, an inquirer is able to determine in seconds which reports and studies are available to assist him with his specific information requirements.

The Interfile trade information system, developed in cooperation with the World Trade Centers Association, was first established in the World Trade Center in 1972. By the end of 1973, Interfile had computer links with trade centers in London, Tokyo and Indianapolis. Additional trade centers at other points on the globe are expected to join the system within the next year. To assist trade centers unable to tie into Interfile directly by computer, a manual card system was developed during the past year. The World Trade Center in Zaire was this system's first subscriber.

The Interfile system is part of an overall effort, directed by the World Trade Centers Association, to strengthen communications links among such centers throughout the world. The Association, with headquarters at The World Trade Center in New York, at year's end had 85 members from 35 countries operating or developing trade centers in major commercial cities.

To better supply the businessman with accurate data relating to international trade, the World Trade Information Center will move to greatly improved facilities at a permanent location on the Concourse Level immediately adjacent to One World Trade Center. In addition, work is progressing on completion of a World Trade Information Floor, scheduled to open in the spring of 1974 on the 86th floor of One World Trade Center. Private and public agencies serving as important sources of world trade information will be located on this floor to give expert counselling in



Through Interfile, The World Trade Center's computerized index of trade information services, an inquirer's specialized information requirements are supplied in seconds.



Information on world trade was supplied to almost 2,000 businessmen in 1973.



Interfile is described and explained to guests from the Republic of Korea.



A businessmen's seminar takes place in one of the briefing rooms at the World Trade Institute.

specialized trade areas readily available to both tenants and visitors.

Throughout 1973, the Center's unique Electronic Yellow Pages Service, developed and operated by the New York Telephone Company, served 8,500 visitors. This automated directory of World Trade Center tenants enables visitors to contact any tenant in any given business category quickly and efficiently. The visitor is provided with a free printout of any specific tenant category within seconds and, utilizing a free "hot line" service, he can contact the tenant to set up meetings or discussions. The Electronic Yellow Pages Service, free of charge to all tenants, is updated on a daily basis to insure accuracy.

World Trade Institute

During 1973, more than 2,700 businessmen and government officials participated in 160 courses offered by the World Trade Institute, educational arm of The World Trade Center. The Institute, now located in permanent quarters on the 55th floor of One World Trade Center, offers the international trade community a unique combination of educational opportunities

for all levels of management. Institute programs encompass special conferences on specific geographical areas, review sessions on recent developments in world trade, semester-long technical courses designed to improve the day-to-day conduct of export-import activities, and intensive language training.

Institute offerings during the year included meetings on International Taxation, DISC legislation, Standardization in Documentation, Moving Hazardous Materials in International Trade, and International Physical Distribution Planning and Control. Many of these meetings were co-sponsored by prominent domestic and foreign organizations from the public and private sectors. An example of the high caliber of institute programs was a special symposium in May on the United States International Economy in the Post-Vietnam Era. Three of the world's leading economists participated in the session: Prof. John Kenneth Galbraith of Harvard University, the Right Hon. Roy H. Jenkins, M.P., former Chancellor of the Exchequer, and Herbert Stein, Chairman of the President's Council of Economic Advisers.

For government officials and businessmen from developing nations, the Institute sponsors a variety of programs, many in conjunction with organizations such as the U.S. Agency for International Development (AID) and the United Nations Industrial Development Organization. For example, a six-week course in Export Development and Promotion offered in cooperation with AID was attended by 53 people from 30 different countries. During the year, the Institute was selected by AID to be its official educational service for development of export expansion and promotion programs for emerging nations.

A major Institute undertaking in 1973 was the Partners-In-Trade program to aid American firms wishing to enter foreign markets. Through this program, a joint venture of the Institute, the National Association of Manufacturers, and the U.S. Department of Commerce, companies inexperienced in export are provided with specific marketing, finance, and legal assistance. For participants the year-long program is a personalized service tailored to specific needs.

Basic courses in ocean transportation, export documentation, traffic, maritime law, and marine insurance are offered three semesters a year by the Institute's Evening School of World Trade. They provide fundamental information to newcomers in the field of international commerce. Executives and technical specialists from export-import, transportation, and shipping firms serve as faculty members for the school. The Institute also offers an evening program of 20 intensive studies in International Taxation for executives, attorneys, accountants, bankers, and other professionals, conducted by an experienced faculty of executives and leading tax experts.

Practical language programs for the business community are offered on a regular basis at the Institute. The language school, like all other Institute offerings, is designed to be immediately useful to internationalists. Participants are taught to speak and understand a foreign language so that they may participate freely and work effectively in a foreign business or social environment. Courses in Chinese, French, German, Italian, Japanese, Russian, Spanish and English as a second language are now available.

Construction and Operations

Construction milestones in 1973 included completion of the United States Customhouse, opening of a major segment of The World Trade Center Concourse, completion of the permanent entrance as well as paving and curb construction along the Vesey Street side of the Northeast Plaza Building, and virtual completion of the Center's below-grade parking garage.

Intense efforts were made to recoup time lost during the crippling 214-day elevator constructors

strike, which began in 1972 and continued into late January of 1973. The strike severely hampered construction progress, and required revision of schedules for material delivery and construction.

Considerable efforts were made during the year to reduce power consumption both during peak load hours in the daytime and after dark, while continuing to provide lights required for construction purposes and by tenants who must work at night to transact business with customers abroad. Reductions in daytime lighting and air conditioning were put into effect. Conservation of electric power at the World Trade Center follows the lines of Port Authority efforts at all facilities.

Protecting and Promoting the Port's Commerce

The Port Authority continued its efforts in 1973 to insure that trans-

portation costs and services in the bi-State Port remain competitive with those available through other ports and to encourage shipment of export/import cargoes through the Port.

Since the Port of New York-New Jersey is the major gateway for U.S. foreign trade, such commerce is an integral part of the region's business activity and any changes in the level of U.S. trade are immediately reflected in the Port District's economy. Expanded trade, meanwhile, results in increased job opportunities and earning capacity for residents of the area.

Recognizing that the bi-State Port would be the first to feel the effects of restrictionist U.S. trade legislation, the Commissioners of the Port Authority have always alerted port area legislators to its inherent dangers. In conjunction with Congressional hearings on



During 1973, more than 2,700 businessmen and government officials participated in the 160 courses offered at the World Trade Institute.

proposed U.S. trade legislation, Commissioner Philip B. Hofmann testified before the Committee on Ways and Means of the U.S. House of Representatives as to the stake of the New York-New Jersey port in the maintenance of liberal trade policies.

In fulfilling its mandate to promote and protect the commerce of the Port District, the Port Authority closely monitors development of new international trade markets and undertakes trade missions to areas with the greatest potential. In 1973 one such mission to the Soviet Union, led by Commissioner Andrew C. Axtell, called attention of the Russian foreign trade organizations to the services available in the New York-New Jersey Port.

During 1973 the Port Authority was involved in nine proceedings before the Interstate Commerce Commission and eight before the Federal Maritime Commission. Of these cases, eight were commenced in 1973 and all are in litigation.

In these cases, the Port Authority: was successful in securing suspension of a railroad tariff provision reducing free time on export traffic from five to four days (I&S 8847); is supporting a railroad proposal to assess drayage charges on export/import containers at competing North Atlantic Ports (I&S 8886); was again able to have the ICC, in a general railroad rate increase proceeding, order the rail carriers to maintain port relationships on export/import movements (Ex Parte 295); and has intervened in an investigation into motor carrier detention charges (MC-88).

In proceedings before the Federal Maritime Commission, the Port Authority: intervened in a case involving increased rates in the Puerto Rico trade to prevent the institution of a rate structure adverse to the New York/New Jersey Port (FMC 73-12); intervened in two cases dealing with transcontinental "minibridge" rates (FMC-73-38) and inland absorptions by steamship lines (FMC 73-35).

In addition to the foregoing, the Port Authority is involved in the following cases still in litigation before the FMC and ICC: Absorption of inland charges by water carriers (FMC 70-19); Terminal practices at the Port of Seattle (FMC 70-50); Pacific Westbound Conference Dual Rate System (FMC 71-54); container lines pooling agreement (FMC 72-17); detention rules at piers in the Port of New York (FMC 72-41); Erie-Lackawanna lighterage charges (ICC 35634 and I&S 8726); railroad freight all kinds rates (ICC 35435); investigation into railroads' export/import rate structure (ICC Ex Parte 270 Sub 1-A & 1-B).

During 1973 a proceeding involving the assessment of charges for truck loading and unloading was concluded by publication of a rule providing for an alternate method of computing such charges (FMC 65-39-46).

Promoting the Port

The Port Authority actively promotes the flow of commerce in the Port District through its twenty-man Trade Development team

based in important industrial centers in the United States and overseas. In 1973, this team, offering assistance on transportation matters and information on facilities and services at the New York - New Jersey Port, made more than 10,000 calls on shippers and receivers in 32 states and 38 foreign countries.

The Port Authority's port promotion program of assistance and information to export/import shippers and transportation executives makes extensive use of promotional material, movies, literature, portable modular exhibits and advertising to publicize the advantages of shipping via the bi-state Port.

The monthly commerce magazine, *Via Port of New York*, judged one of the top three port magazines by the American Association of Port Authorities for the past two years, set a new record in 1973, when 73,000 copies of an issue devoted entirely to "Cruises via New York" were published. The issue described the port's cruise ships, their itineraries, highlights of New York from a visiting cruise passenger's viewpoint and features of the Consolidated Steamship Passenger Terminal. Distributed nationally to travel agents and others along with the usual 32,000 U.S. and overseas readers, it was endorsed by the New York City Visitors and Convention Bureau as one of the finest promotional pieces ever done on New York.

The promotional film, *Portrait of a Port*, continued to be widely shown, and at year end, a new film, *Shipping Showcase*, was re-

leased. This new film portrays the newest cargo handling facilities and innovative procedures which help to keep the New York - New Jersey Port the nation's busiest gateway for international commerce.

More than 165,000 pieces of promotional literature were distributed during 1973, including new issues of the *Port of New York Trade Services Directory*, *Containerization at the New York-New Jersey Port*, a special two-color brochure in the Russian language for use on the Russian trade mission, *Port Authority Facilities*, *Steamship Services Directory*, and *Port of New York Facts and Figures*.

Proceedings Before The Civil Aeronautics Board

In carrying out its responsibility to promote and protect the commerce of the Port District, the Port Authority participates in proceedings before the Civil Aeronautics Board. The CAB is investigating the full range of transatlantic air service in two of the cases to which the Port Authority is a party. We are making efforts in both of these proceedings to encourage the use of Newark International Airport for transatlantic service.

In the Transatlantic Route Proceeding (Docket 25908), the CAB is reviewing cases relating to the renewal of the temporary authority now held by Pan American World Airways, Trans World Airlines and Seaboard World Airlines between cities in the United States and over 70 points in Europe, Asia

and North Africa. In addition, almost every U.S. domestic trunk airline has applied for new transatlantic authority and nine supplemental airlines are seeking new or renewed operating rights. Also being considered is whether additional U.S. cities should become gateways and whether supplemental (charter) cargo authority should be authorized. The case is just getting under way. At the Port Authority's request the CAB redesignated the point "New York, N.Y." as "New York, N.Y. - Newark, N.J." to emphasize the fact that airlines may schedule transatlantic flights at Newark International as well as John F. Kennedy International Airport.

In the second case dealing with transatlantic service (Docket 25427), the CAB is considering whether Laker Airways should be permitted to offer its Skytrain service between New York/Newark and London at very low rates (about \$91 in the summer and \$79 at other times). Skytrain would be a low cost scheduled service with no advanced reservations and extra charges for meals and drinks. Tickets may only be purchased at the airport, not prior to six hours before departure. The Port Authority, because of the unique character of the service, asked the CAB, if it approves Laker, to require the airline to use Newark International Airport and to provide appropriate amenities to delayed passengers. We also suggested that, if Laker is approved, it be for an experimental period. The CAB has not reached a decision in the case.

The Port Authority also participated in CAB proceedings dealing with: airline efforts to reduce capacity (we supported extension of agreement to reduce flights and application to discuss further reduction and the CAB approved both—Dockets 22908 and 25604); no-show penalties (we supported such cash penalties during the fuel shortage for people with confirmed reservations who, without cancelling reservations, do not take their flight—Docket 26253); cargo rates (we recommended basing cargo rates between Europe and the U.S. gateways on mileage flown and the CAB agreed but the decision is being appealed to the Court of Appeals by Maryland and Virginia which want rates equal to New York/Newark's - Docket 20522); whether the CAB should designate specific Port District airports for flights between the Port District and Omaha and Des Moines (we urged the CAB not to limit the airlines' ability to serve the airport of its choice and the CAB did not designate an airport—Docket 18401); air service between New York/Newark and New England points (we supported continued certification of a trunk or local service carrier in ten of the markets and the Administrative Law Judge agreed—Docket 22973); V/STOL air service (we suggested establishment of a national V/STOL development program and the CAB decided V/STOL service is needed and feasible but has terminated the proceeding without authorizing a carrier or carriers to provide the service—Docket 19078).

Administration



James C. Kellogg III
Chairman



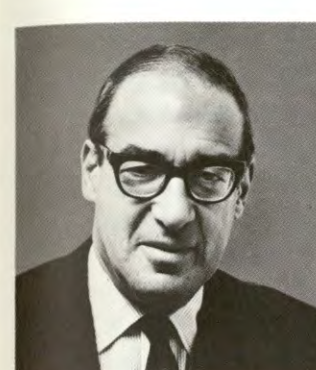
William J. Ronan
Vice Chairman



W. Paul Stillman



Walter Henry Jones



Bernard J. Lasker



Gustave L. Levy



James G. Hellmuth



Andrew C. Axtell



Philip B. Hofmann



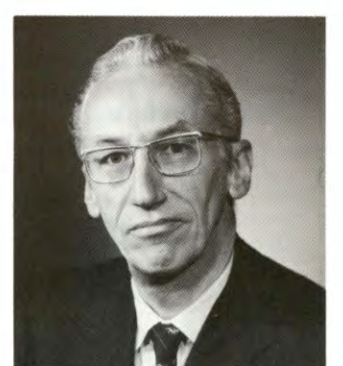
Jerry Finkelstein



Robert R. Douglass



Rev. Victor R. Yanitelli, S.J.



A. Gerdes Kuhbach
Acting Executive Director

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

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

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

Chairman James C. Kellogg III of New Jersey is the senior partner

of the brokerage firm of Spear, Leeds and Kellogg, and a former Chairman of the Board of Governors of the New York Stock Exchange.

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

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

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

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

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

Philip B. Hofmann of New Jersey is Chairman of the Finance Committee of Johnson & Johnson.

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

Bernard J. Lasker of New York is senior partner in the brokerage firm of Lasker, Stone and Stern,

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

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

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

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

At the Board's annual meeting, April 12, 1973, Commissioner Kellogg was re-elected to his sixth term as Chairman.

Chairman Kellogg was first appointed to the Port Authority Board by Governor Meyner in 1955, reappointed by Governor Meyner in 1960 and by Governor Hughes in 1966. In July 1972 he was reappointed by Governor Cahill. He became Vice Chairman in 1960, and was first elected Chairman at the Board's annual meeting in 1968.

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

Vice Chairman Ronan was appointed to the Board by Governor Rockefeller in 1967, upon the resignation of Bayard F. Pope, for the term to 1971. He was reappointed by Governor Rockefeller in 1971.

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

Planning, William J. Ronan, Chairman, and Philip B. Hofmann, Vice Chairman.

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

A. Gerdes Kuhbach, the Port Authority's Acting Executive Director, is appointed by the Board and carries out the policies and programs authorized by the Board.

The Port Authority is represented in all legal matters by the General Counsel, Patrick J. Falvey. The General Counsel is the legal advisor to the Board of Commissioners, the Executive Director and the Staff.

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

The Port Authority is organized into a system of line and staff departments which report to the

A. Gerdes Kuhbach

In August, 1973, the Commissioners appointed A. Gerdes Kuhbach as Acting Executive Director of the Port Authority to succeed Matthias E. Lukens, who retired after 26 years of service.

Mr. Kuhbach brings to the Executive Director's post a background uniquely geared to the Port Authority's expanding responsibilities in the field of mass rail transportation—a background which combines years of experience both in railroad-ing and in raising large sums of capital funds for major public construction projects.

Executive Director. The line departments are Aviation, Marine Terminals, Rail Transportation, Terminals, Tunnels and Bridges, and World Trade. The Port Authority subsidiary, the Port Authority Trans-Hudson (PATH) Corporation, is within the Rail Transportation Department. The staff departments are Administration, Comptroller's, Engineering, Finance, General Services, Law, Management Services, Medical, Personnel, Planning and Development, Public Affairs, Real Estate, and Treasury.

In August 1973, Matthias E. Lukens, Acting Executive Director, retired after 26 years of dedicated service to the Port Authority. He had joined the organization in 1947 as its First Assistant to the Executive Director. He was succeeded as Acting Executive Director by A. Gerdes Kuhbach, former Director of Finance.

A number of other major staff changes were made during 1973 and early in 1974. Among them was the appointment of Caesar B. Pattarini as Director of Aviation.

Mr. Kuhbach joined the Port Authority staff in 1962 as Director of Finance. He served concurrently as Director of Finance for the PATH Corporation. Before joining the Port Authority, he was Executive Vice President of the New Haven Railroad. He had served that railroad in a variety of positions since 1941, rising through ranks from Tax Counsel to Vice President and Executive Vice President. Mr. Kuhbach graduated from Columbia College and Columbia Law School. He is a resident of Chatham, New Jersey.

Mr. Pattarini, Deputy Director of Aviation since 1972, joined the Port Authority in 1947. He succeeded Neal R. Montanus who left the Port Authority staff to engage in consulting activities.

Morris Sloane, General Manager of Kennedy International Airport since 1968, was appointed Deputy Director of Aviation to succeed Caesar B. Pattarini. He had joined the Port Authority in 1948.

Anthony J. Tozzoli was appointed Director of Marine Terminals to fill the vacancy occasioned by the death of A. Lyle King in December 1973. Mr. Tozzoli worked closely with Mr. King in the development of container facilities at Elizabeth and Port Newark, and of the Passenger Ship Terminal.

In the World Trade Department, Malcolm P. Levy was appointed Deputy Director for Physical Facilities and John B. McAvey was appointed Deputy Director of Programs and Services. Both Mr. Levy and Mr. McAvey had been essential to the successful development, planning and construction of The World Trade Center.



Commissioners of The Port Authority of New York and New Jersey 1921-1973

Seventy-three men, prominent in business, government and the professions, have been named by the Governors of New Jersey and New York to the Board of Commissioners of the Port Authority since the bi-State agency's creation in 1921. Leaders in the community and the private sector with outstanding records of accomplishment, they serve without payment or monetary compensation of any sort.

In the order of their appointment, they are:

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

President, Harvey & Outerbridge, Inc.
President, Chamber of Commerce, State of New York

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

President, Tenafly Trust Company of New Jersey
Vice President, First Federal Savings & Loan Association of New York

Alfred E. Smith, N.Y., 1921-1923
Governor of New York (1919-1920 and 1923-1928)

Democratic candidate for President of United States (1928)
President, Empire State, Inc.

Frank R. Ford, N.J., 1921-1924
Member, Ford, Bacon & Davis,

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

President, Borough of Brooklyn (1913-1917)
Treasurer, New York State (1924-1926)

DeWitt Van Buskirk, N.J., 1921-1924
(Vice Chairman, July 18, 1923 to Apr. 16, 1924; Chairman, Apr. 16, 1924 to November 19, 1924)

President, Mechanics Trust Company of New Jersey

John F. Galvin, N.Y., 1923-1933
(Vice Chairman, Nov. 19, 1924 to July 12, 1928; Chairman, July 12, 1928 to October 19, 1933)

President, Metal Stamping Company
Julian A. Gregory, N.J., 1923-1926
(Chairman, Nov. 19, 1924 to May 20, 1926)

Senior member, Gregory, Stewart & Montgomery
Mayor, East Orange, N.J. (1912-1916)

Otto B. Shulhof, N.Y., 1924-1927
President, Dualite Electric Lamp Corp.
President, American Neon Light & Sign Corp.

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

Chairman of the Board, Ampere Bank & Trust Company
President, Union Trust Company of New Jersey

Herbert K. Twitchell, N.Y., 1924-1928
Chairman of the Board, Chemical National Bank

President, Bank of Suffolk County
Schuyler N. Rice, N.J., 1924-1932

Assistant Secretary, Denver and Rio Grande Railroad
Member, J. K. Rice & Sons

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

Governor of New Jersey (1923-1926)
Member, New Jersey State Senate (1907-1912)

Howard S. Cullman, N.Y., 1927-1969
(Vice Chairman, Sept. 6, 1934 to Feb. 8, 1941; Chairman, Feb. 8, 1945 to May 12, 1955)

President, Cullman Bros. Inc.
Chairman, Beekman-Downtown Hospital
William C. Heppenheimer, N.J., 1928-1933

Chairman, The Trust Company of New Jersey
Member, New Jersey General Assembly

John F. Murray, N.Y., 1928-1937
Partner, John F. Murray & Company

Joseph G. Wright, N.J., 1930-1934
Vice President and Treasurer, Equitable Mortgage Securities Company, Inc.

John J. Pulleyn, N.Y., 1930-1946
Chairman, Emigrant Industrial Savings Bank

George deB. Keim, N.J., 1930-1941
Chairman, New Jersey World's Fair Commission

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

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

Senior Partner, Dyer, Hudson & Company

Ira R. Crouse, N.J., 1931-1939
President, Crouse Lumber Company

John J. Quinn, N.J., 1932-1936
Member, Quinn & Doremus
U.S. Attorney for State of New Jersey (1935-1940)

Rudolph Reimer, N.Y., 1933-1934
Director and President, Harry Blinn Coal Company

John Milton, N.J., 1933-1939
United States Senator (1938)
Lawyer

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

Chairman, Joseph M. Byrne Company
Director and President, Merchants and Manufacturers Fire Insurance Company

Charles S. Whitman, N.Y., 1935-1942
Governor of New York (1915-1918)
Member, Whitman, Ransom, Coulson & Goetz

Joseph A. Bower, N.J., 1936-1938
Executive Vice President, Chemical Bank and Trust Company

President, Detroit International Bridge Company

Michael F. Walsh, N.Y., 1937-1938
Secretary of State, State of New York (1939-1942)

United States Senator (1943-1944)

John Borg, 1938-1945 and 1948-1953
Chairman of the Board and Publisher, *Bergen Evening Record*

Frank J. Taylor, N.Y., 1938-1949
President, American Merchant Marine Institute
Member, New York State Assembly (1912-1925)

Raymond M. Greer, N.J., 1939-1945
Partner, Boyce, Hughes & Farrell
Comptroller, City of Jersey City

Frank Dorsey, N.J., 1940-1944
Mayor, Perth Amboy, N.J. (1917-1923, 1926-1934)

Member, New Jersey State Highway Commission

James W. Costello, N.J., 1941-1943
Chief Engineer, City of Newark
Commissioner, New Jersey State Board of Commerce and Navigation

Eugene F. Moran, N.Y., 1942-1959
(Vice Chairman, Sept. 5, 1955 to Apr. 9, 1959)

Chairman, Moran Towing & Transportation Co., Inc.

Charles S. Hamilton, N.Y., 1942-1960
Vice President, Treasurer, Russell, Burdall & Ward Bolt & Nut Co.

President, Andrew W. Mellon Foundation

Arthur Walsh, N.J., 1943-1947
Executive Vice President, Thomas A. Edison, Inc.

Assistant Administrator, Federal Housing Administration

Bayard E. Pope, N.Y., 1944-1955 and 1959-1967
(Vice Chairman, May 12, 1955 to July 1, 1955)

Director, Marine Midland Corporation

Howard R. Cruse, N.J., 1945-1948
Partner, Cruse, Becker & Longstreet
Senior Vice President and General
Counsel, New Jersey Title Guarantee and
Trust Company

Donald V. Lowe, N.J., 1945-1946
(Vice Chairman, May 12, 1953 to May
12, 1955; Chairman, May 12, 1955 to
April 9, 1959)

President, Lowe Paper Company

E. Palmer Armstrong, N.J., 1945-1952
President and Director, Keyport Banking
Company

Frank D. Abell, N.J., 1945-1951
Chairman, First National Iron Bank,
Morristown, N.J.
Member, New Jersey State Senate (1927-
1933)

S. Sloan Colt, N.Y., 1946-1968
(Chairman, April 9, 1959 to April 11,
1968)
Chairman of the Board, Bankers Trust
Company

Horace K. Corbin, N.J., 1948-1960
(Vice Chairman, April 9, 1959 to
February 5, 1960)
Vice President and Director, Fidelity
Union Trust Company

Charles H. Sells, N.Y., 1949-1958
Superintendent of Public Works, State
of New York
Westchester County Commissioner of
Public Works
Consulting Engineer

John F. Sly, N.J., 1951-1955
Professor, Princeton University School
of International Affairs

Jess Harrison Davis, N.J., 1952-1959
President, Stevens Institute of Tech-
nology
President, Clarkson Institute of Tech-
nology

David Van Alstyne, Jr., N.J., 1953-
1955
President and Treasurer, Van Alstyne,
Noel & Co., Inc.
Member, New Jersey State Senate
(1942-1953)

Dow H. Drukker, Jr., N.J., 1953-1958
Publisher, *The Herald-News of Passaic*
President and Director, Union Building
and Investment Company

N. Baxter Jackson, N.Y., 1955-1963
Chairman of the Board, Chemical Corn
Exchange Bank

James C. Kellogg, III, N.J., 1955-
(Vice Chairman, February 11, 1960 to
April 11, 1968; Chairman, April 11,
1968 to)
Senior Partner, Spear, Leeds & Kellogg
Former Chairman of the Board of
Governors, New York Stock Exchange

Thorn Lord, N.J., 1955-1960
United States Attorney, State of New
Jersey (1943-1945)
Lawyer

Joseph A. Martino, N.Y., 1958-1968
(Vice Chairman, April 11, 1968 to
November 27, 1968)
Chairman of the Board, National Lead
Company

John J. Clancy, N.J., 1958-1970
Senior Partner, Clancy & Hayden

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

Member, New Jersey State Assembly
(1935-1936)

Hoboken Magistrate (1948)

Alexander Halpern, N.Y., 1960-1970
Partner, Prose, Smith, Halpern and
LeFevre

Chairman and Director, National
Parkinson Foundation

W. Paul Stillman, N.J., 1960-
Chairman of the Board, Mutual Benefit
Life Insurance Company
Chairman of the Board, First National
State Bank, New Jersey

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

Chairman, Engelhard Minerals and
Chemical Corporation

Ben Regan, N.Y., 1963-1970

(Vice Chairman, April 10, 1969 to
March 14, 1970)

General Partner, Hornblower & Weeks
Member, Civilian Commission of NATO
(1961)

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

Senior Vice President, Trust Company
of New Jersey

William J. Ronan, N.Y., 1967-

(Vice Chairman, June 1, 1972 to)
Chairman, Metropolitan Transportation
Authority

Dean of New York University Graduate
School of Public Administration and
Public Service (1953-1959)

Secretary to the Governor of New York
State (1959-1965)

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

Senior Partner, William A. Sternkopf &
Company

Hoyt Ammidon, N.Y., 1968-1972

(Vice Chairman, April 9, 1970 to May
26, 1972)

Chairman, United States Trust Company

Walter Henry Jones, N.J., 1969-
New Jersey State Senator (1953-1961)

Lawyer

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

Partner, Hein, Bradie, Waters & Klein

Bernard P. Lasker, N.Y., 1969-
Senior Partner, Lasker, Stone & Stern
Former Chairman of Board of Governors,
New York Stock Exchange

Gustave L. Levy, N.Y., 1970-
Senior Partner, Goldman, Sachs & Co.
Former Chairman of the Board of
Governors, New York Stock Exchange

James G. Hellmuth, N.Y., 1970-
Vice President, Bankers Trust of New
York Corporation

Andrew C. Axtell, N.J., 1970-
General Manager, Hobart Welder Sales
and Service Division of Hobart Brothers
Company

Mayor, Livingston, N.J. (1953-1958)

Philip B. Hofmann, N.J., 1971-
Chairman of the Finance Committee,
Johnson & Johnson

Jerry Finkelstein, N.Y., 1972-
Chairman of the Board, Struthers Wells
Corp.

Publisher, *New York Law Journal* and
Civil Service Leader

Robert R. Douglass, N.Y., 1972-
Member, Milbank, Tweed, Hadley and
McCloy

Counsel and Secretary to the Governor,
New York State (1964-1972)

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

President, Saint Peter's College

Staff

The Port Authority and its rail sub-
sidiary, PATH, employ a career
staff of over 8,000 people in a wide
range of positions, managerial and
technical, skilled and unskilled.
These positions are filled by men
and women who perform the duties
and bear the responsibilities neces-
sary for the smooth and efficient
operation of the bi-State agency's
complex of terminals and transpor-
tation facilities within the Port
District. Many of them—Bus Ter-
minal Information Agents, Police
Officers, PATH Carmen, Toll Col-
lectors, "Golden Girls," and others
—are the visible arms of the Port
Authority. Behind them, unseen by
the public, is a highly skilled pro-
fessional staff which handles the
administrative and operating
responsibilities for the bi-State
agency.

Developing Staff Potential

The continued commitment to the
individual and his development has
built a dedicated career staff for the
Port Authority.

Extensive training and develop-
ment are available to staff members
to improve their on-the-job per-
formance, increase their promotion
possibilities and provide them with
the opportunity to develop their
special skills to the fullest poten-
tial. Opportunities for continued
growth are provided in a variety of
areas, including management, cler-
ical, operations, and maintenance,
as well as specialized areas like po-
lice work and toll collection.

Through various formal train-
ing programs, employees are better
prepared to meet the increasing
challenges placed on the Port Au-
thority. During 1973, over 2,000

employees participated in 75 pro-
grams offered during some 40,000
training hours.

In line with continuing efforts to
develop programs more closely
geared to the needs and expecta-
tions of Port Authority employees,
a Supervisory Development Pro-
gram was established in 1973. This
program integrates both Port Au-
thority training and college educa-
tion in order to increase the career
potential of present and aspiring
field supervisors. It consists of vari-
ous internal training programs for
which college credits are granted,
combined with a program of col-
lege education at John Jay College
and Pace University. Additional
colleges in New Jersey and on
Long Island will be added in the
near future. The basic program, in

which 100 employees are enrolled,
involves a two-year (Associate)
degree, although participants are
encouraged to continue on to a
four-year degree.

While most of these training
programs are administered by Port
Authority staff, employees also are
encouraged to participate in an Ed-
ucation Refund Plan and further
their education and development
by taking courses unavailable with-
in the organization. During 1973,
thirty staff members earned degrees
at the Port District's colleges and
universities through participation
in the plan.

Diagnostic tests have indicated
that a large number of entry-level
employees are deficient in their
reading and mathematical abilities.
As a result, a program of remedial



An instructor works with a class in one of the many educational programs available to employees.



Director of Administration Daniel L. Kurshan (second from right) is shown with staff members who received recognition as "Black Achievers in Industry". (Left to right) Richard L. Rowe, Manager of Operating Personnel; Kenneth Myles, Staff Information Officer, Public Affairs Dept.; Albert Moncure, Director of General Services Dept.; Aileen Callendar, Contract Compliance Coordinator, Equal Opportunity Programs; Hugh Harewood, Manager, Communications Services; and Port Authority Police Captain Emmanuel Greene.

training has been developed to upgrade achievement levels, motivate and better prepare these employees for advancement. A "self-pacing" program, it is tailored to individual needs. As a result of this program, many employees upgraded their skills sufficiently to pass promotion examinations. This past year, seven employees achieved the equivalent of a four-year high school education in only twelve months. This was an extraordinary feat for individuals, who ranged from 33 to 53 years old—including some who had not been in school for 36 years and others who had not even graduated from elementary school.

Equal Opportunity Program

Consistent with its commitment to

equal opportunity, the Port Authority's Equal Opportunity Programs Unit greatly expanded its efforts in the areas of contract compliance, minority business development, education and volunteer programs pertaining to urban affairs.

Since the initiation of the Newark International Airport Affirmative Action Program in late 1971, minority representation among the skilled construction trades has risen from 8 percent to 35 percent. In the work force at Newark Airport, approximately 33% of all journeymen, 50% of all apprentices and 100% of all trainees are members of minorities placed as a result of this program.

In New York City the Port Authority participated with the State,

City and other construction owners in the New York Plan, the "hometown" federally approved plan for affording on-the-job and off-site training in the construction industry to individuals from minority groups and disadvantaged backgrounds. Also, the Port Authority encouraged its contractors to employ minority journeymen. In addition to the minority journeymen referred by the union, the Port Authority hired 35 journeymen at the Passenger Ship Terminal who were referred by community groups.

The Unit also conducts a Minority Contractors Program in which contracts totalling almost \$250,000 have been awarded this year to minority contractors.

This Unit, in cooperation with other Port Authority departments, has succeeded in securing six of the eleven business concessions for operation by minority entrepreneurs in the new terminal building, at Newark International Airport. One minority entrepreneur is in the final stage of negotiation for a World Trade Center consumer service operation and two minority entrepreneurs are competing for the parking lot concession at the Journal Square Transportation Center.

The educational and volunteer programs have included affiliation with the Literacy Volunteers of America, a non-profit organization which trains volunteer tutors to help deficient readers on a one-to-one basis. In addition, staff has participated in the volunteer teaching corps of Harlem Prep and the Street Academy.

The Port Authority participates in the Council for Airport Opportunity's Affirmative Action Program Committee which formulates and implements programs with the aviation industry for training and

employing minorities on their staffs.

Selection, Placement And Planning

The College Relations Program, a key element in the Port Authority's recruitment efforts, disseminated information about the bi-State agency to students and placement offices in colleges and universities across the country. This led to the selection of 22 Management Trainees from over 700 candidates interviewed for Administrative, Electronics System Design and Accounting Training Programs. These trainees receive work assignments and specialized training to prepare them for managerial roles of increasing responsibilities during their Port Authority careers. More than half of the Administrative Trainees who joined the program this year represent various minority groups, including women, the highest percentage of minority and female representation achieved since this program was started in 1948.

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

During the year, 423 staff members participated in these evaluations and 183 successfully qualified for advancement to higher level management and professional po-

sitions. In addition, 1,200 individuals competed in more than 30 evaluations conducted to provide promotion opportunities for staff engaged in operations, maintenance, clerical and service ranks.

In 1966, the Port Authority initiated a Mobility Program to offer both internal and external reassignments to highly skilled staff members who want to broaden their work experience and gain new knowledge and skills. Since then, there have been 117 participants, 25 of whom have served with other governmental agencies both in the United States and abroad. In 1973, 14 staff members participated in the Mobility Program. Three assignments included exchange of staff members with The Greater London Council, the New York City Police Personnel Department, and the assignment of one staff member to The Transit Development Corporation in Washington, D.C.

Howard S. Cullman Memorial Fellowship Award

Awards and the recognition they provide are an important part of the Port Authority's support of individual development. On May 10, the Board of Commissioners awarded the 1973 Howard S. Cullman Fellowship to two staff members, Mrs. Jean Hendy and Mr. Surendra K. Saxena. Mrs. Hendy's three-month fellowship allowed her to complete seven years of study and fulfill requirements for a Bachelor of Arts degree in Sociology as an undergraduate day student at Fordham University where she had attended evening classes since 1969. Mr. Saxena's fellowship allowed him to pursue six months of concentrated studies in the fundamental properties of varved clays at the Massachusetts

Institute of Technology.

Police Recruitment

To attract the highest caliber of candidates for Police Officer positions, the Port Authority continued recruitment at local colleges and universities and participated in the Army's Project Transition Program. By year end 1973, more than 200 Police Officers had been graduated from the Police Academy. Of the graduates, 29 percent were from minorities, and 75 percent had a post-high-school education.

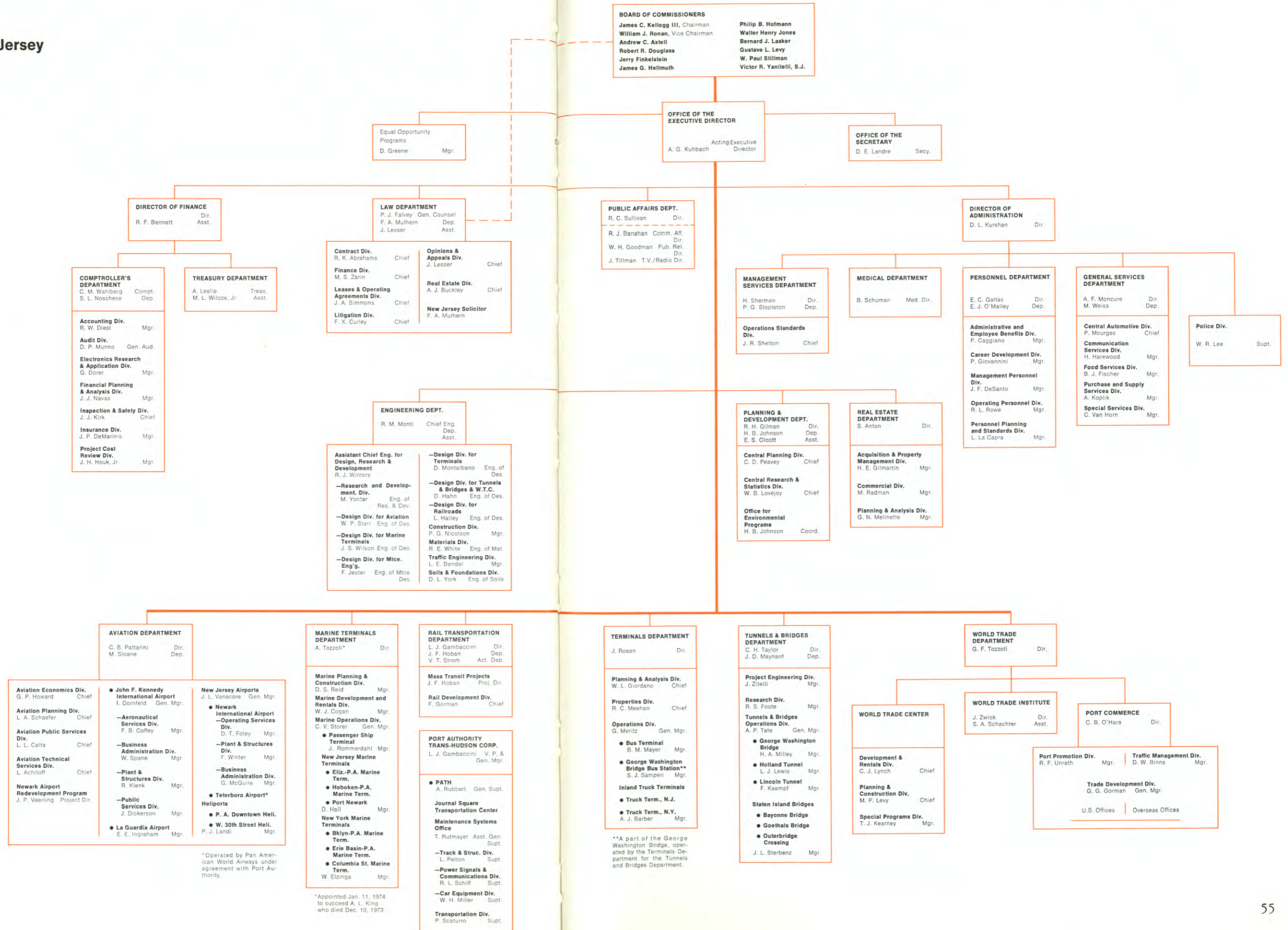
Port Service Club

Every year the Port Authority acknowledges its special pride in its expanding roster of long-term career employees and welcomes to its Port Service Club those staff members who have completed 25 years of service with the organization. In May, 198 new members joined the Port Service Club, which now comprises some 1,300 members.

Health Care Program Modernization

Concurrent with its move to new headquarters at The World Trade Center, the Port Authority inaugurated a new multiphasic health screening program for all Port Authority and PATH employees. Utilizing the newest and most sophisticated equipment available, the automated multiphasic screening encompasses a total medical history questionnaire on each employee and the results of more than 30 separate tests, including full laboratory work, electrocardiograms and chest X-ray. The total report, issued in the form of a computer print-out, which serves as the base-line to assist the physician in evaluating the patient's health, is reviewed by the physicians on the Port Authority's medical team.

**The Port Authority
of New York and New Jersey
Organization Chart
December 31, 1973**



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

*Appointed Jan. 11, 1974 to succeed A. L. King who died Dec. 10, 1973.

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

Basic Policies and Financial Structure

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

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

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

The statutes establishing the General Reserve Fund provide for the pooling of revenues to the end that older facilities with established earning power can aid new projects during developmental periods until they reach their anticipated point of self-support. These statutes provide for the amount of the General Reserve Fund to be equal to ten per-

cent of the total par value of the Authority's outstanding 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 bonded debt service. Acceleration of debt retirement before mandatory dates may be accomplished out of the General Reserve Fund only to the extent that reserve funds exceed the ensuing two years' debt service.

Bonds for an additional facility cannot be issued with a pledge of the General Reserve Fund unless the Port Authority Commissioners certify to investors that the issuance of the bonds or that such 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 projects to their point of self-support as soon as possible.

Adherence to these requirements and policies has resulted in a sound financial structure which has been recognized by individual investors and financial institutions throughout the United States. Over the years, more than 3.5 billion dollars of Port Authority obligations have been purchased by investors, of which 1.7 billion dollars was outstanding at December 31, 1973.

Combined Operations in Brief

Gross operating revenues of The

Port Authority of New York and New Jersey for the year 1973 totaled \$373,497,000, an increase of 16.8 percent over 1972. This rise reflects the continuing increase in the development and utilization of the Authority's facilities. At the same time, operating expenses, including start-up costs for new projects, increased about 18.7 percent to reach \$236,434,000.

Financial income on securities held in the reserve and operating funds was \$20,024,000. This resulted from investment income of \$23,615,000 and a downward adjustment of \$3,591,000 in the value of the securities held in these funds during the year. Thus, net revenues available for debt service and reserves were \$157,087,000.

Interest on the Authority's debt totaled \$57,482,000 and long-term bonded debt amortization amounted to \$31,943,000. In addition, a \$35,000,000 principal payment was made to reduce outstanding bank loans in accordance with agreements with the banks. Total debt service charged to revenues and reserves, including reserve funds in trust, therefore, was \$124,425,000.

At year-end 1973, the General Reserve Fund balance amounted to \$173,487,000 and continued to meet the specified statutory amount of ten percent of outstanding bonded debt. The Consolidated Bond Reserve Fund had a balance on December 31, 1973 of \$21,932,000 after application of \$8,000,000 to invested in facilities and \$35,000,000 to meet the annual installment on the 1968 bank loan. Total reserves at year-end, including reserve funds in trust, were

\$236,764,000, which exceeded the next two years' debt service on bonded debt. The total debt service for the Authority for the years 1974 and 1975, including scheduled payments on bank loans, amounts to \$356,812,000.

The Authority's financial affairs are administered by Alexander Leslie, Treasurer, and Carl M. Wahlberg, Comptroller.

Financial Position At Year-End

On December 31, 1973, the total assets of the Authority were \$3,872,686,000, represented by the cumulative amount invested in facilities and balances in construction, operating and reserve funds. This is an increase of 10.6 percent, or \$369,883,000 over last year.

The net amount invested in facilities of the Port Authority rose by \$225,406,000, including interest during construction of \$32,299,000 on bonded debt and bank loans, to a cumulative total of \$3,272,913,000 at year-end 1973. This increase is largely represented by increased or (decreased) investment at:

The World Trade Center	\$91,000,000
Newark International Airport	71,000,000
Elizabeth-Port Authority Marine Terminal	32,000,000
Port Authority Trans-Hudson Railroad	22,000,000
Port Authority Building (Sold)	(24,000,000)

Bonded debt increased during the year by \$168,057,000 to a total of \$1,734,867,000. This was the net result of the issuance of Consolidated Bonds in the total amount of \$200,000,000 and the scheduled retirement of \$31,943,000 bonded debt through income and reserves.

At year-end, debt retired through income as detailed in Statement E, Page 68, and reserve funds totaled \$1,661,127,000, which is about 51 percent of the amount invested in facilities.

Reserve Funds

At year-end 1973, the General Reserve Fund balance was \$173,487,000 and continued to meet the specified statutory amount of ten percent of outstanding bonded debt while the Consolidated Bond Reserve Fund totaled \$21,932,000.

These balances, together with other reserve fund balances in trust totaling \$41,345,000 (see below), continued to meet the long-established policy of maintaining total reserve funds in an amount equal to at least the next two years' mandatory debt service on bonded debt (excluding scheduled debt service on the bank loans obtained by the Authority in 1968, 1970, 1971 and 1973).

Bond covenants require that the reserve funds be maintained in cash or invested in certain government securities. Thus, at year-end, \$234,396,000 was invested in securities as set forth in Statement B "Financial Position." Income from investment of reserve funds, including reserve funds in trust, totaled \$19,257,000 in 1973.

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 69. In the Consolidated Bond Resolution of 1952 the Authority

covenanted that no additional General and Refunding, Air Terminal or Marine Terminal Bonds would be issued.

By year-end 1970, the Special Reserve Fund (for General and Refunding Bonds), the Air Terminal Reserve Fund and the Marine Terminal Reserve Fund had reached a level sufficient to secure fully the payment of principal of and interest to redemption on the outstanding bonds for which such Funds had been established. On December 31, 1970, pursuant to the bank loan agreements of 1968 and 1970, the Authority placed in trust with the First National City Bank, as Trustee, \$60,749,000 from the Authority's Special Reserve Fund, Air Terminal Reserve Fund and Marine Terminal Reserve Fund to secure fully, unconditionally and absolutely the Authority's obligation to provide for the redemption as scheduled and the payment of interest until redemption on the Authority's outstanding General and Refunding Bonds, Air Terminal Bonds and Marine Terminal Bonds. These bonds bear interest at rates ranging from 1 1/4% to 3% a year. The

Trust Agreements do not require the payment or redemption of any such bonds in advance of their scheduled redemption by operation of the sinking funds therefor. After the establishment and during the maintenance of these trusts, no further payments are required to be made into such Reserve Funds. Furthermore, all Consolidated Bonds of the Authority, including any which may hereafter be issued, are now equally and ratably secured by a pledge of the net revenues of all existing facilities of the Authority and any additional facilities which may hereafter be financed or refinanced in whole or in part through the medium of Consolidated Bonds. Such net revenues are no longer subject to the prior liens or pledges to which certain of these net revenues had previously been subject in favor of General and Refunding, Air Terminal and Marine Terminal Bonds.

The establishment and maintenance of the Reserve Funds in Trust permit the application of all net revenues of the Authority to the payment of debt service on Consolidated Bonds, with all remaining

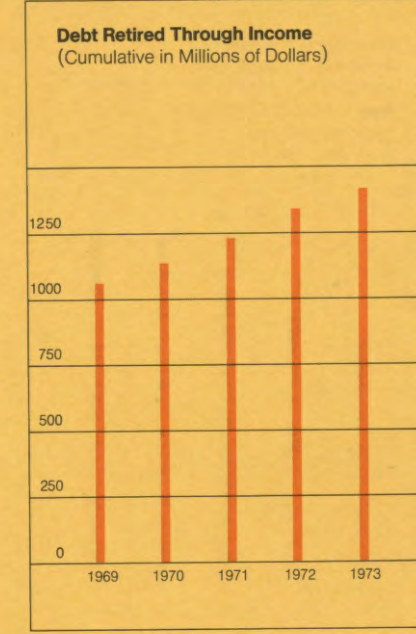
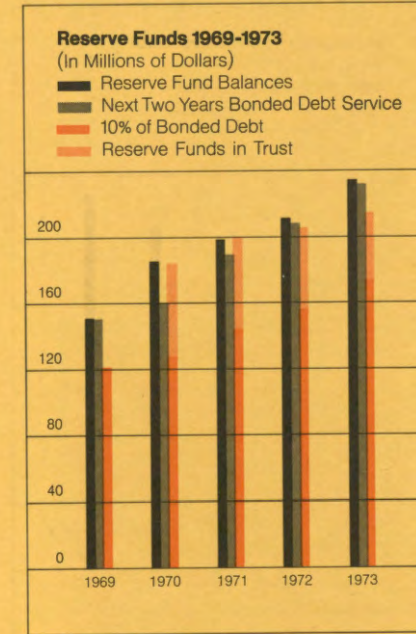
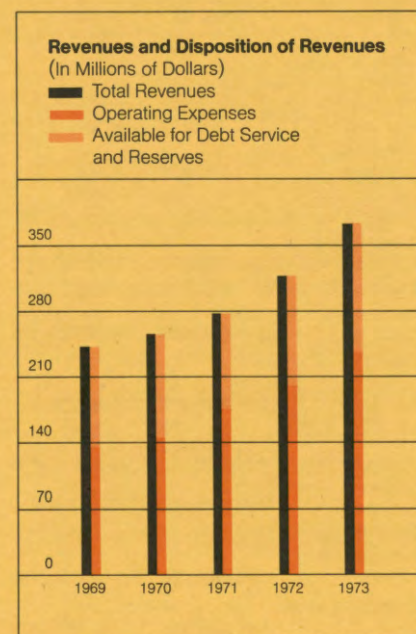
balances, except such amounts as may be necessary to maintain the General Reserve Fund in the amount specified by the General Reserve Fund statutes, to be paid into the Consolidated Bond Reserve Fund. The net revenues accumulated in the Consolidated Bond Reserve Fund are fully available to meet debt service on the bank loans obtained by the Authority in 1968, 1970, 1971 and 1973.

Financial Income

The long-term investment portfolio, principally reserve funds, averaged about \$246,054,000, and was invested primarily in securities of or guaranteed by the United States Government. Long-term investment earnings amounted to \$22,562,000.

Investment in short-term government securities and bank time deposits averaged approximately \$192,287,000 during the year. The short-term portfolio represented principally the investment of construction funds awaiting disbursement. Income from these short-term investments was \$15,489,000.

Investment income attributed to



Highlights	1973	1972
Gross Operating Revenues	\$ 373,500,000	\$ 319,800,000
Net Operating Revenues	137,100,000	120,700,000
Debt Service Charged to Revenues and Reserves	124,400,000	108,000,000
Cumulative Invested in Facilities	3,272,900,000	3,047,500,000
Bonded Debt Outstanding	1,734,900,000	1,566,800,000
Bank Loans Outstanding	295,000,000	230,000,000
General Reserve Fund	173,500,000	156,700,000
Consolidated Bond Reserve Fund	21,900,000	7,100,000
Reserve Funds in Trust	41,300,000	48,300,000

the operating fund amounted to \$4,358,000 (including \$85,000 miscellaneous income). The amount attributed to reserve funds was \$19,257,000, and \$14,521,000 was attributed to the capital fund thereby reducing construction cost.

Financing Debt Issued

The Authority's bonded debt at year-end was \$1,734,867,000, a net increase of \$168,057,000 over last year.

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

On June 20, 1973, \$100,000,000 Consolidated Bonds, Fortieth Series, 6.00% due June 1, 2008, were sold to an investment group headed by Salomon Brothers and Associates, at a price of 99.521 percent of par resulting in a net interest cost to the Authority of 6.017 percent.

On October 9, 1973, \$100,000,000 Consolidated Bonds, Forty-first Series, 5½% due Oc-

tober 1, 2008, were sold to an investment group headed by Halsey, Stuart & Co. Inc.; Drexel Burnham & Co., Inc.; DuPont Walston, Inc.; Reynolds Securities Inc.; Wertheim & Co., Inc., and Associates, at a price of 98.93 percent of par resulting in a net interest cost to the Authority of 5.539 percent.

In December 1973, a total of \$100,000,000 was borrowed from fourteen banks, under a loan, which is to be repaid in six annual installments with the final maturity due December 20, 1979. The loan is evidenced by notes which bear interest at the rate of 5.45% per annum. The banks participating in the loan are First National City Bank; The Chase Manhattan Bank, N.A.; Manufacturers Hanover Trust Company; Chemical Bank; Midlantic National Bank; Marine Midland Bank-New York; Irving Trust Company; Fidelity Union Trust Company; The Bank of New York; United States Trust Company of New York; The County Trust Company; Peoples Trust of New Jersey; Franklin National Bank; and The Bank of Tokyo Trust Company. These notes are special obligations of the Author-

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

Debt Retired

During the year \$31,943,000 par value of long-term bonds was retired through mandatory sinking fund and maturity payments. Also, \$100,000,000 Consolidated Notes, Series Z, were refunded, as shown on Statement G.

On December 20, 1973, payment of the fifth annual installment of \$35,000,000 was made on the \$210,000,000 bank loan obtained in 1968. The outstanding amount of the four bank loans at year-end was \$295,000,000.

Additional Information for Bondholders

Consolidated Bonds are direct and general obligations of the Authority and the full faith and credit of the Authority are pledged to the payment of debt service thereon.

All Consolidated Bonds, including any which may hereafter be

issued, are equally and ratably secured by a pledge of the net revenues of all existing facilities of the Authority (not including cars acquired under New York State's Commuter Railroad Car Program) and any additional facility which may be hereafter financed in whole or in part through the medium of Consolidated Bonds, as provided in the Consolidated Bond Resolution. The prior liens and pledges with respect to certain of such net revenues in favor of General and Refunding, Air Terminal and Marine Terminal Bonds of the Authority have been satisfied by the establishment and maintenance of the Special, Air Terminal and Marine Terminal Reserve Funds in Trust (see "Reserve Funds" Page 67). All Consolidated Bonds are further secured by a pledge of the monies in the Consolidated Bond Reserve Fund, as provided in the Consolidated Bond Resolution.

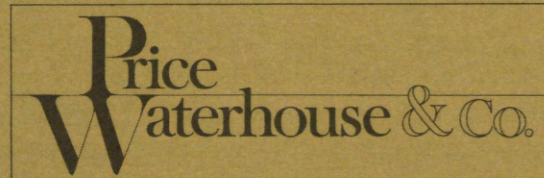
On December 31, 1973, outstanding Consolidated Bonds totaled \$1,697,287,000. Over the years, the Authority has issued \$2,441,650,000 of Consolidated Bonds, exclusive of refundings.

The 1962 statutes adopted by

the Legislatures of New York and New Jersey, which authorized Port Authority acquisition of the interstate Hudson and Manhattan Railroad, provided by way of a statutory covenant with the holders of affected bonds that deficit financing of additional passenger railroad facilities would be undertaken only within specific financial limits.

Effective May 10, 1973, the two States amended the 1962 statutes to provide that this statutory covenant shall not apply to the holders of obligations issued by the Authority after such date. Thus, the covenant does not apply to the holders of \$100 million Consolidated Bonds, Fortieth Series, issued by the Authority on June 20, 1973, or to the holders of \$100 million Consolidated Bonds, Forty-first Series, issued by the Authority on October 9, 1973, nor does the covenant apply to the holders of the Authority's promissory notes issued in an aggregate of \$100 million to fourteen banks and trust companies in connection with the December, 1973 bank loan. The last issue of Port Authority obligations to which the statutory covenant attached was \$150 million Consolidated Bonds,

Thirty-ninth Series, due 2007, issued by the Authority on February 9, 1972. As recommended by Governor Byrne, a bill intended to repeal the statutory covenant with respect to all outstanding bonds has been introduced in the New Jersey Legislature. This bill provides that it is to take effect upon the enactment of concurrent New Jersey-New York legislation and a similar bill has been introduced in New York. Litigation is currently pending in New Jersey and New York seeking to invalidate the existing statutory covenant. Cross motions for summary judgment have been made by plaintiffs and by defendant Port Authority in both the New Jersey and New York actions. In addition, United States Trust Company of New York is joined as a defendant in the New Jersey action as Trustee for the 40th and 41st Series of the Authority's Consolidated Bonds, as the holder of a significant amount of outstanding obligations of the Authority, and as a class representative on behalf of the holders of all outstanding bonds of the Authority, and has joined in the Authority's motion for summary judgment.



SIXTY BROAD STREET, NEW YORK, NEW YORK 10004

February 28, 1974

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

In our opinion, Statements A through H present fairly the financial position of the Port Authority of New York and New Jersey at December 31, 1973 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, 1973 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,			1972 Combined Total
	Operating Fund	1973		
		Reserve Funds (Statement D) (In Thousands)	Combined Total	
Gross Operating Revenues	\$373,497	\$ —	\$373,497	\$319,835
Operating Expenses	236,434	—	236,434	199,161
Net Operating Revenues	137,063	—	137,063	120,674
Financial Income				
Income on investments	4,358	19,257	23,615	19,783
Security valuation adjustment	(958)	(2,633)	(3,591)	—
	<u>140,463</u>	<u>16,624</u>	<u>157,087</u>	<u>140,457</u>
Debt Service				
Interest on bonded debt	49,729	978	50,707	39,972
Serial maturities and sinking fund retirements	26,047	5,896	31,943	29,502
Interest on bank loans	—	6,775	6,775	3,552
Bank loan payment	—	35,000	35,000	35,000
Total Debt Service	<u>75,776</u>	<u>48,649</u>	<u>124,425</u>	<u>108,026</u>
Invested in Facilities	—	8,000	8,000	20,000
Transfers to Reserves	<u>\$ (64,687)</u>	<u>64,687</u>	<u>—</u>	<u>—</u>
Net Increase in Reserves		24,662	24,662	12,431
Reserve balances—beginning of year		<u>212,102</u>	<u>212,102</u>	<u>199,671</u>
Reserve Balances—End of Year (Statement D)		<u>\$236,764</u>	<u>\$236,764</u>	<u>\$212,102</u>

STATEMENT B Financial Position

	December 31,			December 31, 1972 Combined Total	
	1973		Combined Total		
	Capital Fund	Reserve Funds (In Thousands)			Operating Fund
ASSETS					
Invested in Facilities	\$3,272,913	\$ —	\$ —	\$3,272,913	\$3,047,507
Investment in Securities (Statement F)	119,852	234,396	14,316	368,564	292,606
Cash and Time Deposits	121,328	2,368	14,492	138,188	86,756
Other Assets	2,998	—	90,023	93,021	75,934
Total Assets	<u>3,517,091</u>	<u>236,764</u>	<u>118,831</u>	<u>3,872,686</u>	<u>3,502,803</u>
LIABILITIES					
Bonded Debt (Statement G)	1,734,867	—	—	1,734,867	1,566,810
Bank Loans Payable	295,000	—	—	295,000	230,000
Debt Retired Through Income (Statement E)	1,424,363	—	—	1,424,363	1,331,384
Reserves (Statement D)	—	236,764	—	236,764	212,102
Accounts Payable and Other Liabilities	62,861	—	92,846	155,707	143,826
Provision for Self-Insurance	—	—	17,627	17,627	15,302
Deferred Credits to Income	—	—	8,358	8,358	3,379
Total Liabilities	<u>\$3,517,091</u>	<u>\$236,764</u>	<u>\$118,831</u>	<u>\$3,872,686</u>	<u>\$3,502,803</u>

See Notes to Financial Statements

STATEMENT C Changes in Financial Position

	Year Ended December 31,	
	1973	1972
	(In Thousands)	
Funds Provided From:		
Net Operating Revenues	\$137,063	\$120,674
Adjustments for Non-cash Transactions	3,646	3,359
	<u>140,709</u>	<u>124,033</u>
Financial Income	20,024	19,783
Consolidated Bonds	200,000	150,000
Consolidated Notes	100,000	—
Bank Loan	100,000	—
Federal Grants in Aid	18,036	14,782
Sale of Port Authority Building	24,000	—
Total Funds Provided	<u>602,769</u>	<u>308,598</u>
Funds Applied To:		
Invested in Facilities	249,406	286,697
Interest on Bonded Debt and Bank Loans	57,482	43,524
Retirement of Bonded Debt	31,943	29,502
Repayment of Bank Loan	35,000	35,000
Refunding of Consolidated Notes	100,000	—
Payments Charged to Provision for Self-Insurance	1,322	1,401
Net Change in Other Asset and Liability Accounts	226	2,060
Total Funds Applied	<u>475,379</u>	<u>398,184</u>
Net Increase (Decrease) in Cash and Investments	<u>\$127,390</u>	<u>\$ (89,586)</u>

See Notes to Financial Statements

Notes to Financial Statements
December 31, 1973

Note A—Accounting Policies:

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

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

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

4. Investments in long-term and short-term United States securities are stated at the lower of their respective aggregate amortized cost

or market value. Investments in Port Authority bonds are stated at their amortized cost.

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

6. Pursuant to legislative and judicial authorizations, the Authority, on September 1, 1962, acquired by condemnation the former Hudson & Manhattan Railroad (Hudson Tubes) through the Port Authority Trans-Hudson Corporation, a subsidiary of The Port Authority of New York and New Jersey established for that purpose. The ac-

counts of the subsidiary corporation are consolidated in the accompanying Port Authority financial statements.

Note B—Commitments:

At December 31, 1973, the Authority was committed under various contracts to the completion over the next two or three years of approximately \$153,000,000 of construction.

Note C—Leases:

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

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

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

Minimum annual rentals under the above leases presently aggregate approximately \$3,200,000. Additional rentals are payable if earned in connection with certain of these leases.

On August 23, 1971, the Authority entered into a lease with the City of New York for the development of a Consolidated Passenger Ship

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

Note D—Financing:

1. At December 31, 1973, the Authority had obligations under loans obtained from banks and trust companies located in New York and New Jersey as follows:

<i>Bank Loans</i>	<i>December 31, 1973</i>
4¼% payable in 1974	\$ 35,000,000
5¼% payable \$20,000,000 annually 1975-1977	60,000,000
5¼% payable \$30,000,000 in 1975 and \$35,000,000 in 1976 and 1977	100,000,000
5.45% payable \$5,000,000 annually 1974-1977 and \$40,000,000 in 1978 and 1979	100,000,000
	<u>\$295,000,000</u>

The loans may be prepaid in whole or in part on interest payment dates. Under the terms of the four loan agreements, and as a result of the establishment and maintenance in trust of the Authority's Special Reserve Fund, Air Terminal Reserve Fund and Marine Terminal Reserve Fund (see Note E below), annual installment payments on the bank loans are being made exclu-

sively from net revenues available therefor in the Authority's Consolidated Bond Reserve Fund. Payment of the loans and interest thereon is subject in all respects to the payment of debt service on the Authority's General and Refunding Bonds, Air Terminal Bonds, Marine Terminal Bonds and Consolidated Bonds, as required by the applicable provisions of the Authority's bond resolutions, and to the payment into the General Reserve Fund of the amount necessary so as to maintain such Fund at the amount specified in the General Reserve Fund statutes. Neither the loans nor the interest thereon are secured by or payable from the General Reserve Fund.

2. During 1973, the Authority determined that the Port Authority Building was no longer required for the purposes for which it was acquired and used, and authorized acceptance of an offer from private investors to purchase the building at the price of \$24,000,000. The proceeds were used for capital construction purposes.

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

In accordance with the provisions of the bank loan agreements (see Note D above), the Authority, on December 31, 1970, placed into trust amounts available from the Authority's Special Reserve Fund, Air Terminal Reserve Fund and Marine Terminal Reserve Fund so that such Funds shall be maintained in amounts sufficient to secure fully, unconditionally and absolutely the Authority's obligation

to provide for the redemption as scheduled and the payment of interest until redemption on the Authority's outstanding General and Refunding, Air Terminal and Marine Terminal Bonds. Under the terms of the Agreements of Trust, such bonds are not required to be paid or redeemed in advance of their scheduled redemption by operation of the sinking funds therefor.

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

Note F—Pension and Retirement Plans:

Employees of the Authority are covered by the New York State Employees' Retirement System or the New York State Policemen's and Firemen's Retirement System or, in the case of Port Authority Trans-Hudson employees, by the provisions of the Railroad Retirement Act. The Port Authority's contributions to these plans are based on billings from the two New York State retirement systems and federal regulations governing employer contributions to the Railroad Retirement Board. For the years 1973 and 1972, the Authority provided \$28,700,000 and \$20,400,000 respectively as its contribution to these plans.

STATEMENT D Analysis of Reserve Funds Year Ended December 31, 1973

	General Reserve Fund	Consolidated Bond Reserve Fund	Reserve Funds in Trust For			Combined Total
			General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	
(In Thousands)						
Balance—January 1	\$156,681	\$ 7,101	\$17,551	\$27,489	\$3,280	\$212,102
Income on investments(A)	14,413	4,826	10	2	6	19,257
Security valuation adjustment(B)	(1,905)	(728)	—	—	—	(2,633)
	169,189	11,199	17,561	27,491	3,286	228,726
Transfers from Operating Fund	4,298	60,389	—	—	—	64,687
	<u>173,487</u>	<u>71,588</u>	<u>17,561</u>	<u>27,491</u>	<u>3,286</u>	<u>293,413</u>
Applications:						
Interest on bonded debt	—	—	236	651	73	960
Financial services	—	—	10	2	6	18
Serial maturities and sinking fund retirements (B)	—	(119)	1,268	4,174	573	5,896
Interest on bank loans	—	6,775	—	—	—	6,775
Bank loan payment	—	35,000	—	—	—	35,000
Invested in facilities	—	8,000	—	—	—	8,000
Total Applications	—	49,656	1,514	4,827	652	56,649
Balance—December 31(C)	<u>\$173,487</u>	<u>\$21,932</u>	<u>\$16,047(D)</u>	<u>\$22,664</u>	<u>\$2,634(E)</u>	<u>\$236,764</u>

- (A) After transfers to Consolidated Bond Reserve Fund of \$1,573,000 from Special Reserve Fund in Trust; \$2,509,000 from Air Terminal Reserve Fund in Trust; and \$285,000 from Marine Terminal Reserve Fund in Trust.
- (B) After transfers from Reserve Funds in Trust to Consolidated Bond Reserve Fund.
- (C) Satisfies specified General Reserve Fund statutory amount of 10% of outstanding bonded debt and the policy of maintaining reserves in an amount equal to the next two years' bonded debt service.
- (D) Includes Sinking Fund balance of \$1,314,000 related to General and Refunding 8th Series Bonds.
- (E) Includes Sinking Fund balance of \$113,000 related to Marine Terminal 1st Series Bonds.

STATEMENT E **Debt Retired Through Income** Year Ended December 31, 1973 (In Thousands)

Debt Retired Through Income

Balance at January 1	\$1,194,414
Reserves applied to payment of bank loan as detailed in Statement D	35,000
Net revenues and reserves applied to retirement of bonded debt as detailed in Statement G	31,943
Total	1,261,357

Contributed by Federal and State Agencies in Aid of Construction

Balance at January 1	91,139
Amounts received under Urban Mass Transportation Act	8,078
Amounts received under Federal Airport Act	9,958
Total	109,175

Appropriated Reserves Invested in Facilities

Balance at January 1	61,468
Cost of Refunding and Consolidating Debt—Balance at January 1 and December 31	(15,637)
Additions	8,000
Total	53,831

Total \$1,424,363

STATEMENT F **Investment in Securities** December 31, 1973

	Principal Amount	Quoted Market Value (In Thousands)	Amortized Cost
Short-Term			
United States Treasury Bills	\$ 92,535	\$ 90,728	\$ 90,625
United States Treasury Notes	30,000	30,075	29,935
Federal Land Bank Bonds	5,120	4,979	5,000
United States Treasury Bonds	5,000	4,973	4,976
Government National Mortgage Association Participation Certificates	2,000	1,950	2,000
Total Short-Term	134,655	132,705	132,536
Long-Term			
Farmers Home Administration Insured Notes	97,529	99,301	97,320
Government National Mortgage Association Participation Certificates	51,750	48,203	50,874
United States Treasury Notes	36,405	36,027	36,512
Export-Import Bank Participation Certificates	12,365	11,838	12,375
United States Treasury Bonds	841	818	832
Federal Intermediate Credit Bond	370	369	370
Security Valuation Allowance at December 31	—	—	(1,727)
Total Long-Term United States Securities	199,260	\$196,556	196,556
Bonds of The Port Authority of New York and New Jersey	30,402	—	28,730
Total Long-Term	\$229,662	—	225,286
Accrued Interest Receivable	—	—	10,742
Total Investment in Securities	—	—	\$368,564

See Notes to Financial Statements

STATEMENT G **Bonded Debt** Year Ended December 31, 1973

	January 1, 1973	Issued	Retired	December 31, 1973
	(In Thousands)			
General and Refunding Bonds				
Eighth Series, 2% due 1974	\$ 2,509	\$ —	\$ 1,195	\$ 1,314
Ninth Series, 1½% due 1985	4,054	—	—	4,054
Tenth Series, 1¼% due 1985	2,014	—	—	2,014
Eleventh Series, 1¼% due 1986	7,275	—	71	7,204
	<u>15,852</u>	<u>—</u>	<u>1,266</u>	<u>14,586</u>
Air Terminal Bonds				
First Series, 3% due 1978	9,665	—	1,820	7,845
Second Series, 2½% due 1979	10,599	—	1,659	8,940
Third Series, 2.20% due 1980	4,377	—	585	3,792
	<u>24,641</u>	<u>—</u>	<u>4,064</u>	<u>20,577</u>
Marine Terminal Bonds				
First Series, 2½% due 1978	1,973	—	431	1,542
Second Series, 2.20% due 1980	1,010	—	135	875
	<u>2,983</u>	<u>—</u>	<u>566</u>	<u>2,417</u>
Consolidated Bonds				
First Series, 3% due 1982	15,474	—	1,397	14,077
Second Series, 2¾% due 1984	15,600	—	640	14,960
Fourth Series, 2¾% due 1985	22,000	—	1,000	21,000
Fifth Series, 2.90% due 1983	12,780	—	480	12,300
Sixth Series, 3% due 1986	20,400	—	600	19,800
Seventh Series, 3.40% due 1986	17,500	—	600	16,900
Eighth Series, 3.40% due 1987	36,000	—	1,000	35,000
Ninth Series, 3½% due 1973-1975	4,050	—	1,350	2,700
Tenth Series, 3¾% due 1987	24,900	—	900	24,000
Eleventh Series, 3% due 1973-1978	12,000	—	2,000	10,000
Twelfth Series, 3¾% due 1988	30,730	—	700	30,030
Thirteenth Series, Various due 1973-1978	7,500	—	1,250	6,250
Fourteenth Series, 3¾% due 1989	44,825	—	1,980	42,845
Fifteenth Series, Various due 1973-1979	12,250	—	1,750	10,500
Sixteenth Series, 4¼% due 1989	20,375	—	900	19,475
Seventeenth Series, Various due 1973-1980	12,000	—	1,500	10,500
Eighteenth Series, Various due 1973-1981	18,200	—	1,750	16,450
Nineteenth Series, 3½% due 1991	21,250	—	750	20,500
Twentieth Series, 3¼% due 1993	32,200	—	700	31,500
Twenty-first Series, 3.40% due 1993	23,000	—	500	22,500
Twenty-second Series, 3¾% due 1993	23,000	—	500	22,500
Twenty-third Series, 3¾% due 1994	23,500	—	500	23,000
Twenty-fourth Series, 3½% due 1994	23,500	—	500	23,000
Twenty-fifth Series, Various due 1973-1984	18,000	—	1,500	16,500
Twenty-sixth Series, 3½% due 1995	33,425	—	175	33,250
Twenty-seventh Series, 3¾% due 1995	24,625	—	125	24,500
Twenty-eighth Series, 3¾% due 1996	24,750	—	125	24,625
Twenty-ninth Series, 3½% due 1996	24,750	—	125	24,625
Thirtieth Series, 3¾% due 1998	24,750	—	250	24,500
Thirty-first Series, 4% due 2002	100,000	—	500	99,500
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
Thirty-seventh Series, 6% due 2006	100,000	—	—	100,000
Thirty-eighth Series, 5¾% due 2006	100,000	—	—	100,000
Thirty-ninth Series, 5.80% due 2007	150,000	—	—	150,000
Fortieth Series, 6% due 2008	—	100,000	—	100,000
Forty-first Series, 5½% due 2008	—	100,000	—	100,000
	<u>1,523,334</u>	<u>200,000</u>	<u>26,047</u>	<u>1,697,287</u>
Consolidated Notes				
Series Z, 3.6% due Dec. 17, 1973	—	100,000	—	—
Refunded	—	(100,000)	—	—
Total Bonded Debt	\$1,566,810	\$200,000	\$31,943	\$1,734,867

See Notes to Financial Statements

STATEMENT H **Bonded Debt Amortization 1974-2008** December 31, 1973 (In Thousands)

Year	Debt Service Total All Issues			Amortization			
	Par Value: \$1,734,867			Consolidated Bonds	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds
	Total	Interest	Amortization				
1974	\$ 116,858	\$ 81,312	\$ 35,546	\$ 28,849	\$ 1,928	\$ 4,174	\$ 595
1975	116,168	80,282	35,886	30,165	941	4,286	494
1976	114,369	79,133	35,236	29,296	1,033	4,401	506
1977	114,448	77,973	36,475	30,245	1,194	4,519	517
1978	116,383	76,698	39,685	35,793	1,211	2,530	151
1979	115,310	75,317	39,993	37,944	1,228	667	154
1980	115,603	73,932	41,671	40,425	1,246	—	—
1981	114,946	72,475	42,471	41,207	1,264	—	—
1982	113,921	70,991	42,930	41,648	1,282	—	—
1983	115,336	69,398	45,938	44,638	1,300	—	—
1984	117,353	67,638	49,715	48,398	1,317	—	—
1985	116,183	65,736	50,447	49,805	642	—	—
1986	118,398	63,665	54,733	54,733	—	—	—
1987	114,901	61,428	53,473	53,473	—	—	—
1988	109,306	59,259	50,047	50,047	—	—	—
1989	107,933	57,041	50,892	50,892	—	—	—
1990	107,384	54,774	52,610	52,610	—	—	—
1991	107,891	52,301	55,590	55,590	—	—	—
1992	107,189	49,639	57,550	57,550	—	—	—
1993	108,328	46,778	61,550	61,550	—	—	—
1994	103,901	43,751	60,150	60,150	—	—	—
1995	101,549	40,649	60,900	60,900	—	—	—
1996	97,405	37,405	60,000	60,000	—	—	—
1997	94,958	34,208	60,750	60,750	—	—	—
1998	93,325	30,825	62,500	62,500	—	—	—
1999	91,374	27,374	64,000	64,000	—	—	—
2000	87,817	23,817	64,000	64,000	—	—	—
2001	85,728	20,228	65,500	65,500	—	—	—
2002	83,939	16,439	67,500	67,500	—	—	—
2003	76,676	12,676	64,000	64,000	—	—	—
2004	58,372	9,372	49,000	49,000	—	—	—
2005	55,474	6,474	49,000	49,000	—	—	—
2006	42,097	3,597	38,500	38,500	—	—	—
2007	26,030	1,530	24,500	24,500	—	—	—
2008	14,464	464	14,000	14,000	—	—	—
Total	<u>\$3,381,317</u>	<u>\$1,644,579</u>	<u>\$1,736,738</u>	<u>\$1,699,158</u>	<u>\$14,586</u>	<u>\$20,577</u>	<u>\$2,417</u>

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

	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964
Net Revenues (A)										
Gross Operating Revenues	\$ 373,497	\$ 319,835	\$ 279,935	\$ 255,318	\$ 242,797	\$ 226,931	\$ 207,511	\$ 189,953	\$ 178,630	\$ 167,256
Operating Expenses	<u>236,434</u>	<u>199,161</u>	<u>175,333</u>	<u>144,988</u>	<u>134,297</u>	<u>123,831</u>	<u>110,095</u>	<u>102,113</u>	<u>98,901</u>	<u>89,177</u>
Net Operating Revenues	<u>137,063</u>	<u>120,674</u>	<u>104,602</u>	<u>110,330</u>	<u>108,500</u>	<u>103,100</u>	<u>97,416</u>	<u>87,840</u>	<u>79,729</u>	<u>78,079</u>
Other Income (B)	<u>23,615</u>	<u>19,783</u>	<u>20,344</u>	<u>16,067</u>	<u>13,639</u>	<u>10,749</u>	<u>7,792</u>	<u>6,893</u>	<u>5,553</u>	<u>5,123</u>
Net Revenues Before Debt Service	<u>160,678</u>	<u>140,457</u>	<u>124,946</u>	<u>126,397</u>	<u>122,139</u>	<u>113,849</u>	<u>105,208</u>	<u>94,733</u>	<u>85,282</u>	<u>83,202</u>
Interest on Bonded Debt	<u>49,729</u>	<u>38,856</u>	<u>29,441</u>	<u>26,346</u>	<u>25,507</u>	<u>24,580</u>	<u>23,254</u>	<u>22,369</u>	<u>21,249</u>	<u>20,291</u>
Balance Available for Debt Retirement and Reserves	<u>110,949</u>	<u>101,601</u>	<u>95,505</u>	<u>100,051</u>	<u>96,632</u>	<u>89,269</u>	<u>81,954</u>	<u>72,364</u>	<u>64,033</u>	<u>62,911</u>
Times, Interest Earned	3.23	3.61	4.24	4.80	4.79	4.63	4.52	4.24	4.01	4.10
Mandatory Long-Term Debt Retirements	<u>26,047</u>	<u>24,502</u>	<u>23,013</u>	<u>27,321</u>	<u>26,363</u>	<u>24,943</u>	<u>23,139</u>	<u>21,407</u>	<u>21,384</u>	<u>19,849</u>
Net Revenues after Debt Service (C)	<u>\$ 84,902</u>	<u>\$ 77,099</u>	<u>\$ 72,492</u>	<u>\$ 72,730</u>	<u>\$ 70,269</u>	<u>\$ 64,326</u>	<u>\$ 58,815</u>	<u>\$ 50,957</u>	<u>\$ 42,649</u>	<u>\$ 43,062</u>
Times, Debt Service Earned	2.12	2.22	2.38	2.36	2.35	2.30	2.27	2.16	2.00	2.07
Net Changes in Reserves										
Transferred from Revenues (above)	\$ 84,902	\$ 77,099	\$ 72,492	\$ 72,730	\$ 70,269	\$ 64,326	\$ 58,815	\$ 50,957	\$ 42,649	\$ 43,062
Interest on Bank Loans	(6,775)	(3,552)	(700)	(6)	—	—	—	—	—	—
Bank Loan Payment	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	—	—	—	—	—
Short-Term Note Retirements	—	—	—	—	(15,000)	(28,000)	(46,000)	(40,000)	(31,500)	(33,000)
Long-Term Debt Retirement Acceleration	—	—	—	—	—	(958)	(2,531)	(1,195)	(3,551)	(3,147)
Invested in Facilities	(8,000)	(20,000)	(22,000)	(11,000)	—	—	—	—	—	—
Debt Service on Bonds Secured by Trusts	(6,874)	(6,116)	(1,540)	(3,704)	—	—	—	—	—	—
Adjustment of Securities Value (D)	(3,591)	—	378	11,184	(12,159)	(4,404)	(7,709)	(414)	(4,010)	107
Net Change	<u>\$ 24,662</u>	<u>\$ 12,431</u>	<u>\$ 13,630</u>	<u>\$ 34,204</u>	<u>\$ 8,110</u>	<u>\$ 30,964</u>	<u>\$ 2,575</u>	<u>\$ 9,348</u>	<u>\$ 3,588</u>	<u>\$ 7,022</u>
Reserves—at Year End										
General Reserve	\$ 173,487	\$ 156,681	\$ 144,675	\$ 127,069	\$ 120,264	\$ 117,950	\$ 90,649	\$ 83,285	\$ 85,593	\$ 80,611
Special Reserve (E)	<u>16,047</u>	<u>17,551</u>	<u>18,658</u>	<u>19,268</u>	<u>9,615</u>	<u>14,045</u>	<u>12,642</u>	<u>15,219</u>	<u>9,090</u>	<u>10,352</u>
Air Terminal Reserve (E)	<u>22,664</u>	<u>27,489</u>	<u>32,312</u>	<u>33,069</u>	<u>19,739</u>	<u>10,379</u>	<u>8,364</u>	<u>10,051</u>	<u>5,299</u>	<u>5,413</u>
Marine Terminal Reserve (E)	<u>2,634</u>	<u>3,280</u>	<u>3,773</u>	<u>3,954</u>	<u>2,219</u>	<u>1,353</u>	<u>1,108</u>	<u>1,633</u>	<u>858</u>	<u>876</u>
Consolidated Bond Reserve	<u>21,932</u>	<u>7,101</u>	<u>253</u>	<u>2,681</u>	—	—	—	—	—	—
Total	<u>\$ 236,764</u>	<u>\$ 212,102</u>	<u>\$ 199,671</u>	<u>\$ 186,041</u>	<u>\$ 151,837</u>	<u>\$ 143,727</u>	<u>\$ 112,763</u>	<u>\$ 110,188</u>	<u>\$ 100,840</u>	<u>\$ 97,252</u>
Debt—at Year End										
General and Refunding Bonds	\$ 14,586	\$ 15,852	\$ 16,703	\$ 17,045	\$ 18,446	\$ 19,661	\$ 22,290	\$ 24,490	\$ 25,717	\$ 27,035
Air Terminal Bonds	<u>20,577</u>	<u>24,641</u>	<u>28,601</u>	<u>28,601</u>	<u>36,212</u>	<u>39,870</u>	<u>43,432</u>	<u>46,902</u>	<u>50,280</u>	<u>53,548</u>
Marine Terminal Bonds	<u>2,417</u>	<u>2,983</u>	<u>3,389</u>	<u>3,484</u>	<u>4,031</u>	<u>4,336</u>	<u>4,633</u>	<u>5,360</u>	<u>5,643</u>	<u>5,777</u>
Consolidated Bonds and Notes	<u>1,697,287</u>	<u>1,523,334</u>	<u>1,398,055</u>	<u>1,221,561</u>	<u>1,143,956</u>	<u>1,115,632</u>	<u>836,136</u>	<u>756,097</u>	<u>774,288</u>	<u>719,749</u>
Total Bonded Debt	<u>1,734,867</u>	<u>1,566,810</u>	<u>1,446,748</u>	<u>1,270,691</u>	<u>1,202,645</u>	<u>1,179,499</u>	<u>906,491</u>	<u>832,849</u>	<u>855,928</u>	<u>806,109</u>
Bank Loans	<u>295,000</u>	<u>230,000</u>	<u>265,000</u>	<u>200,000</u>	<u>175,000</u>	<u>210,000</u>	—	—	—	—
Total	<u>\$2,029,867</u>	<u>\$1,796,810</u>	<u>\$1,711,748</u>	<u>\$1,470,691</u>	<u>\$1,377,645</u>	<u>\$1,389,499</u>	<u>\$ 906,491</u>	<u>\$ 832,849</u>	<u>\$ 855,928</u>	<u>\$ 806,109</u>
Invested in Facilities—At Year End	\$3,272,913	\$3,047,507	\$2,760,810	\$2,398,502	\$2,098,196	\$1,886,559	\$1,683,799	\$1,584,037	\$1,503,765	\$1,402,722
Debt Retirement Through Revenues and Reserves										
Annually	\$ 66,943	\$ 64,938	\$ 58,943	\$ 66,954	\$ 76,854	\$ 54,992	\$ 72,358	\$ 63,079	\$ 56,681	\$ 56,388
Cumulative	<u>\$1,261,357</u>	<u>\$1,194,414</u>	<u>\$1,129,476</u>	<u>\$1,070,533</u>	<u>\$1,003,579</u>	<u>\$ 926,725</u>	<u>\$ 871,733</u>	<u>\$ 799,375</u>	<u>\$ 736,296</u>	<u>\$ 679,615</u>

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

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

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

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

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

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

See Notes to Financial Statements

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

	December 31, 1973		December 31, 1972	
	Related to Cars			
	Leased to The Metropolitan Transportation Authority	Leased to Penn Central Transportation Company	Combined Total	Combined Total
	(In Thousands)			
Assets				
Invested in Commuter Cars, at Cost	\$63,292	\$37,378	\$100,670	\$100,649
Investment in U.S. Government Securities, at Cost (which approximates market)	319	2,094	2,413	2,208
Cash	9	300	309	35
Other Assets	252	449	701	698
Total Assets	<u>63,872</u>	<u>40,221</u>	<u>104,093</u>	<u>103,590</u>
Liabilities				
State Guaranteed Commuter Car Bonds	58,015	30,850	88,865	91,000
Debt Retired Through Income	4,985	6,900	11,885	9,750
Accounts Payable and Other Liabilities	872	2,471	3,343	2,840
Total Liabilities	<u>\$63,872</u>	<u>\$40,221</u>	<u>\$104,093</u>	<u>\$103,590</u>

See Note A-5 to Financial Statements

**THE PORT AUTHORITY
OF NY & NJ**

1973 Annual Report

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Public Affairs Department
 The Port Authority
 of New York and New Jersey
 One World Trade Center
 New York, New York 10048

THE PORT AUTHORITY
OF NY & NJ