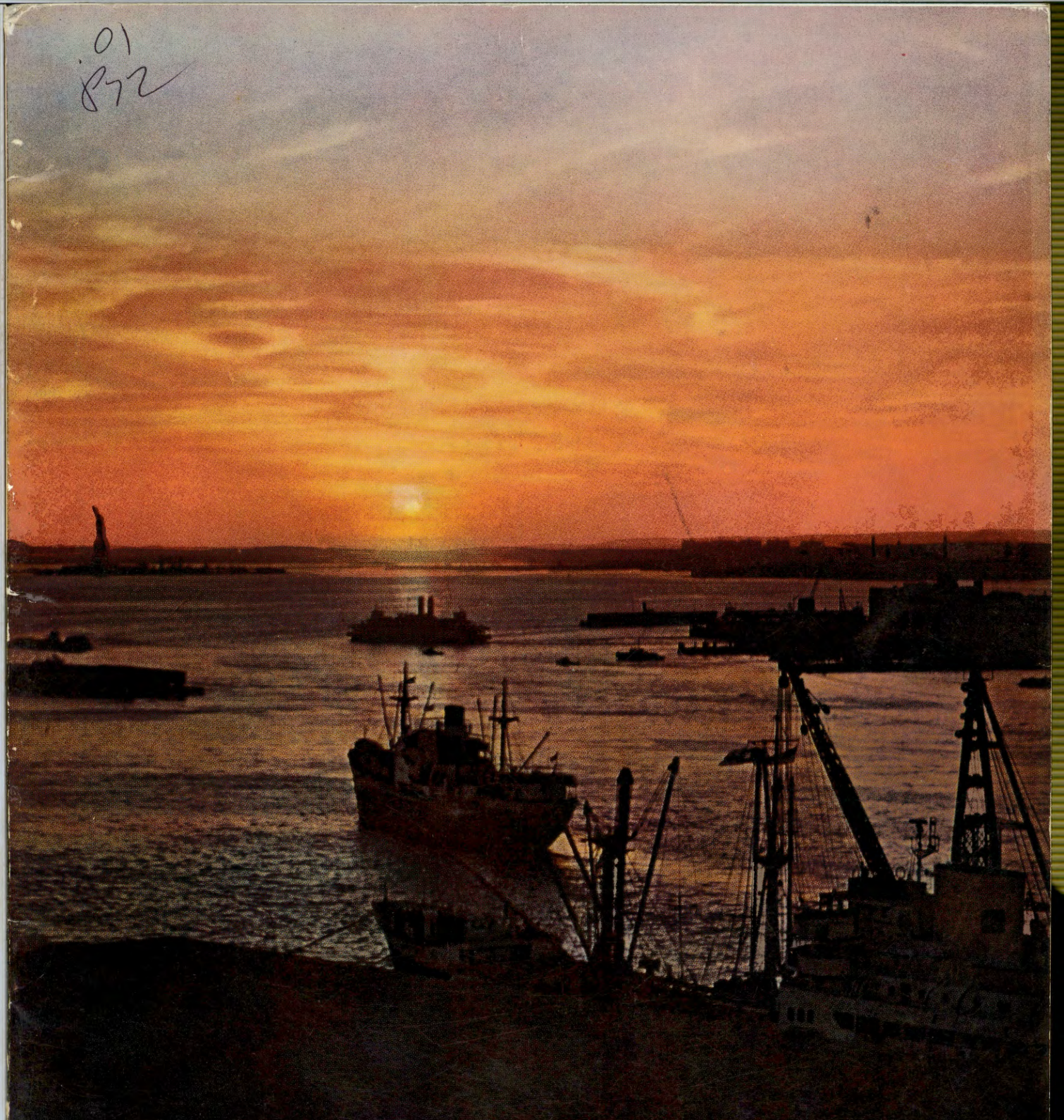
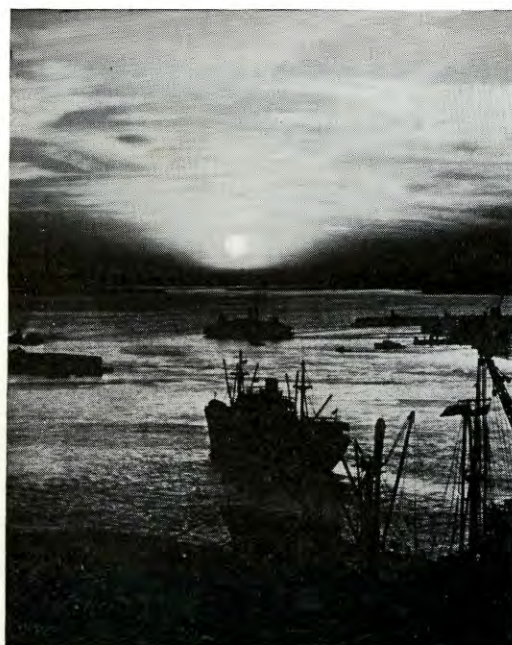


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1961 Annual Report

THE PORT OF NEW YORK AUTHORITY



"Sailing at Sunset" as depicted on the cover of this Report emphasizes the vital movement of trade goods through this, the world's greatest port. The movement of waterborne commerce in international trade, including the many related activities which make foreign trading possible and the industries which exist in the Port of New York because of it, provides the livelihood for one out of every four of the more than thirteen million people who live and work in the bi-state Port District.

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The Port of New York Authority



Respectfully submitted in accordance with the
Port Compact of 1921 to:

The Honorable Richard J. Hughes, Governor and
The Legislature of the State of New Jersey

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

1961 Annual Report

COMMISSIONERS

S. SLOAN COLT, Chairman

HOWARD S. CULLMAN, Hon. Chairman

JAMES C. KELLOGG III, Vice-Chairman

JOHN J. CLANCY

CHARLES W. ENGELHARD

ALEXANDER HALPERN

N. BAXTER JACKSON

DONALD V. LOWE

ROBERT F. MC ALEVY, JR.

JOSEPH A. MARTINO

BAYARD F. POPE

W. PAUL STILLMAN



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



**Honorable
Richard J. Hughes**
Governor of the
State of New Jersey



The Story of The Port Authority

More than forty years ago, the States of New York and New Jersey entered into a Compact, under which the two States pledge "... faithful cooperation in the future planning and development of the port of New York" and created The Port of New York Authority as their joint agency to effectuate this cooperative pledge.

PORT COMPACT

In their Compact the two States found and determined that:

"a better coordination of the terminal, transportation and other facilities of commerce in, about and through the port of New York will result in great economies, benefiting the nation, as well as the states of New York and New Jersey;" and that "The future development of such terminal, transportation and other facilities of commerce will require the expenditure of large sums of money and the cordial cooperation of the states of New York and New Jersey in the encouragement of the investment of capital, and in the formulation and execution of the necessary physical plans."

"Such result can best be accomplished through the cooperation of the two States by and through a joint or common agency."



POWER AND DUTIES

The Port Authority consists of twelve Commissioners—six resident voters from New York and six from New Jersey. They are appointed by the Governors of their respective states with the advice and consent of the State Senate.

In establishing the Port Authority, the States also created the "Port of New York District," a territory with a radius of approximately twenty-five miles from the Statue of Liberty. Within this Port District, the Port Authority performs functions relating to the port's development as derived from the Compact, the Comprehensive Plan for the development of the Port of New York (adopted in 1922 under and pursuant to the Compact), and from supplementary legislation adopted by the two States.

According to the Compact:

"The Port Authority shall constitute a body both corporate and politic with full power and authority..."

"... to purchase, construct, lease and/or operate any terminal or transportation facility within said (port) district; and to make charges for the use thereof;"

"...and for any of such purposes to own, hold, lease and/or operate real or personal property, to borrow money and secure the same by bonds or by mortgages upon any property held or to be held by it."

The agency was also authorized to...

"make recommendations to the legislatures of the two states or to the Congress of the United States, based upon study and analysis, 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." And "... petition any inter-state commerce commission... public utilities commission... or any federal, municipal, state or local authority... for adoption and execution of any physical improvement, change in method, rate of transportation, system of handling freight... which in the opinion of the port authority, may be designed to improve... the handling of commerce in and through said district..."

Looking forward to a dynamic, continuing program by their joint port development agency the two States, in the Compact, provided that:

"The port authority shall have such additional powers and duties as may hereafter be delegated to or imposed upon it from time to time by the action of the legislature of either state concurred in by the legislature of the other."

Thus, as the needs arose, the States by additional enactments specifically charged their agency with the responsibility for airports, marine, bus and truck terminals and bridges and tunnels.

A SELF-SUPPORTING AGENCY

Basic to the States' mandate to their agency for the planning and development of the Port of New York, is the principle that facilities be provided on a self-supporting basis. The Compact provides:

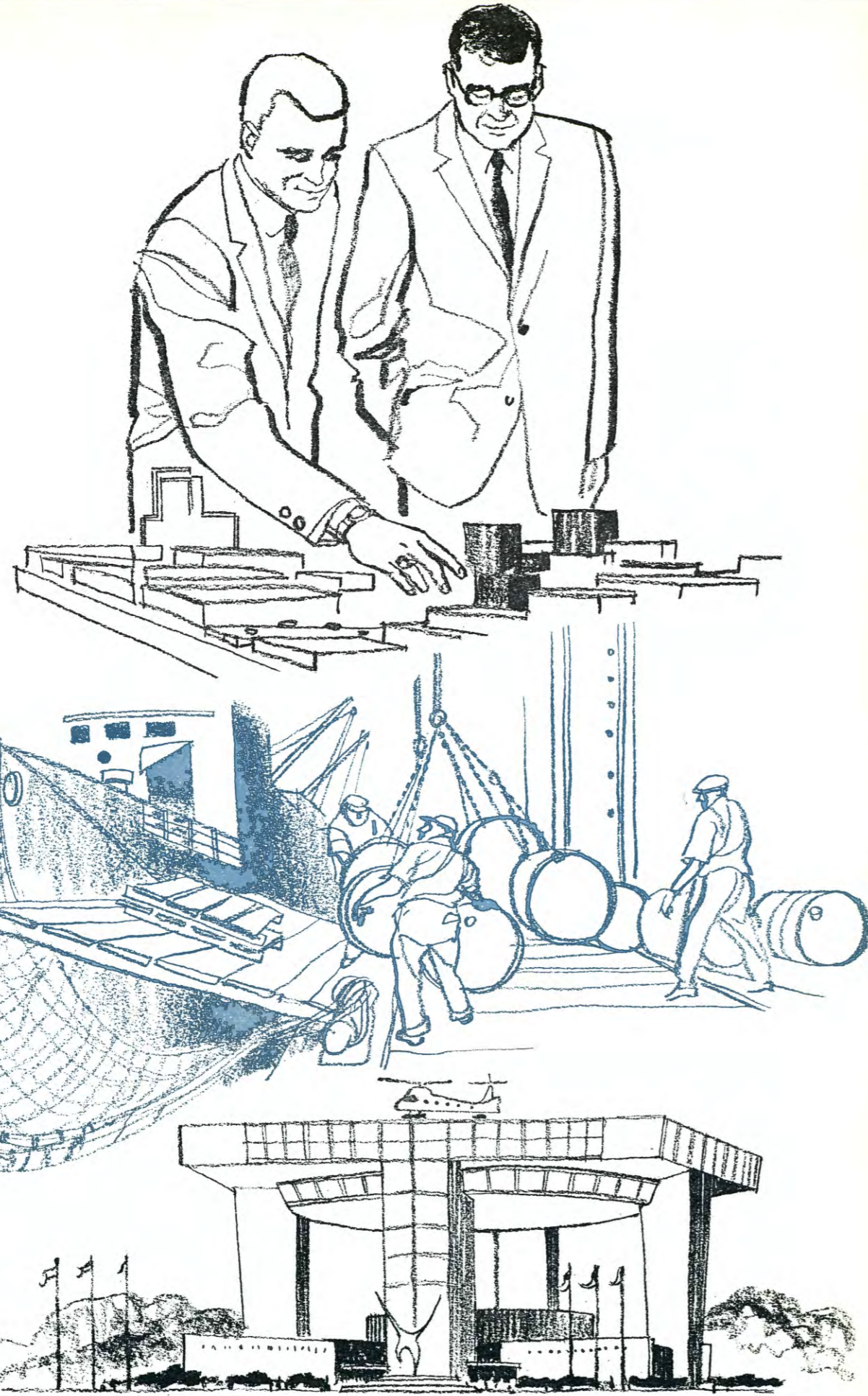
"The port authority shall not pledge the credit of either state except by and with the authority of the legislature thereof."

The Comprehensive Plan vested the agency with appropriate powers "... not inconsistent with the Constitution of the United States or of either state..."—except the power to levy taxes or assessments.

PORT AUTHORITY ACTIVITIES

The Comprehensive Plan directed to the Port Authority to proceed with the development of the port "as rapidly as may be economically practicable." Since 1921, with the authorization and approval of the Governors and Legislatures of the two States, the Port Authority has provided, and today operates, six inter-state bridges and tunnels, four air terminals and two heliports, six marine terminal areas, two union motor truck terminals, a motor truck terminal for rail freight, and a union bus terminal. It also appears before governmental regulatory bodies and maintains Trade Development Offices to promote and protect Port commerce.

All Port Authority activities are carried on under the direction of, and in accordance with the policies of, its Board of Commissioners. The Commissioners' policies are carried out, and the affairs of the Port Authority are administered, by its Executive Director, Austin J. Tobin, who heads the Port Authority staff. A report on all Port Authority operations and activities in 1961 is contained in the following pages.



The Year In Brief

MARINE TERMINALS: Three new piers completed at Brooklyn-Port Authority Piers, with three additional piers authorized for construction. First phases of development of Elizabeth-Port Authority Piers progressed rapidly toward completion this year. Marine terminals handled 7,213,100 long tons of cargo. Investment reached \$185,583,000.

Page 2

TUNNELS AND BRIDGES: Construction on all phases of second deck of George Washington Bridge advanced on schedule toward completion of the project this fall. Six Port Authority interstate crossings served 95,654,000 motorists. Investment increased to \$448,865,000.

Page 10

TERMINALS: Expansion of Port Authority Bus Terminal progressed rapidly toward project completion this year. More than 57,000,000 suburban and long-distance bus passengers served by 2,200,000 bus movements.

Page 16

GEORGE WASHINGTON BRIDGE BUS STATION: Erection of structural steel building frame completed, pouring of concrete for roof and side walls begun late in the year. Station scheduled for completion in the fall of this year.

Page 21

AIR TERMINALS: A record 16,301,000 air passengers, 505,946,000 pounds of air cargo handled by Port Authority airports and heliports. Construction progressed on LaGuardia Airport rehabilitation program. Jet aircraft service introduced at Newark Airport on limited basis. Investment increased to \$404,743,000.

Page 22

WORLD TRADE CENTER—HUDSON & MANHATTAN RAILROAD PROJECT: Staff studies continued during the year of World Trade Center development and H&M modernization by the Port Authority. The concept of combining the Center and the H&M into a unified project on the west side of Manhattan developed late in the year. Legislation authorizing project passed in New Jersey on February 13, 1962.

Page 30

RAILROAD EQUIPMENT PROGRAM: First contract for the construction of commuter cars for the New York Central Railroad awarded, delivery to begin this spring and be completed by the end of the year.

Page 34

TRANSPORTATION SECTION—WORLD'S FAIR: Three major exhibit areas leased. Port Authority building, with roof-top heliport, planned to serve as air gateway to the Fair. Port of New York exhibit planned for ground floor level.

Page 36

PORT DEVELOPMENT: Although the Port of New York's general cargo tonnage increased, its share of United States foreign trade general cargo declined. Development and protection of Port's trade and services stepped up. New commerce promotion motion picture produced. Roger H. Gilman, Director of Port Development, named as Executive Director of the Tri-State Transportation Committee.

Page 38

ADMINISTRATION: S. Sloan Colt re-elected for third term as Port Authority Chairman, Howard S. Cullman re-elected Honorary Chairman, James C. Kellogg III re-elected to second term as Vice-Chairman.

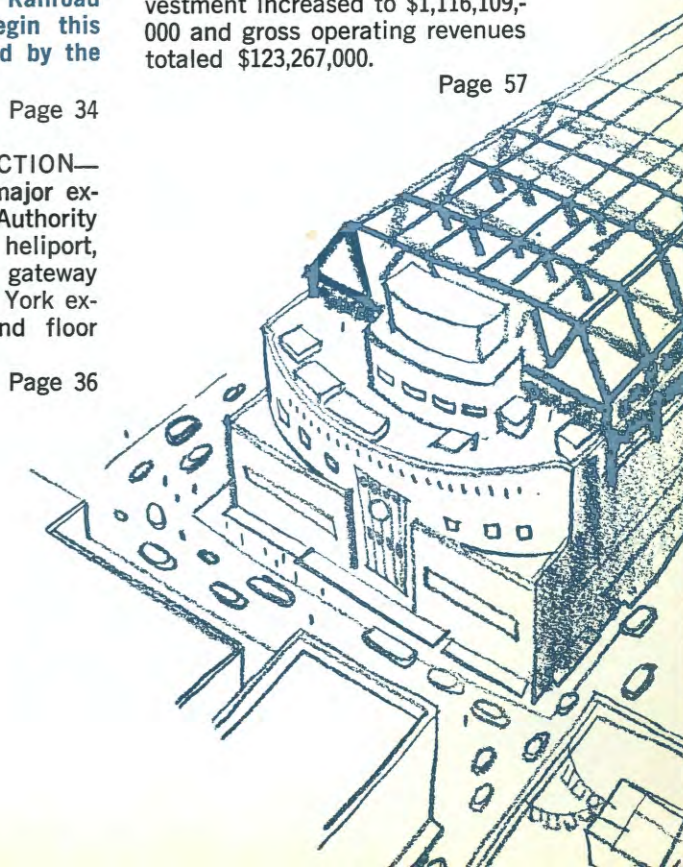
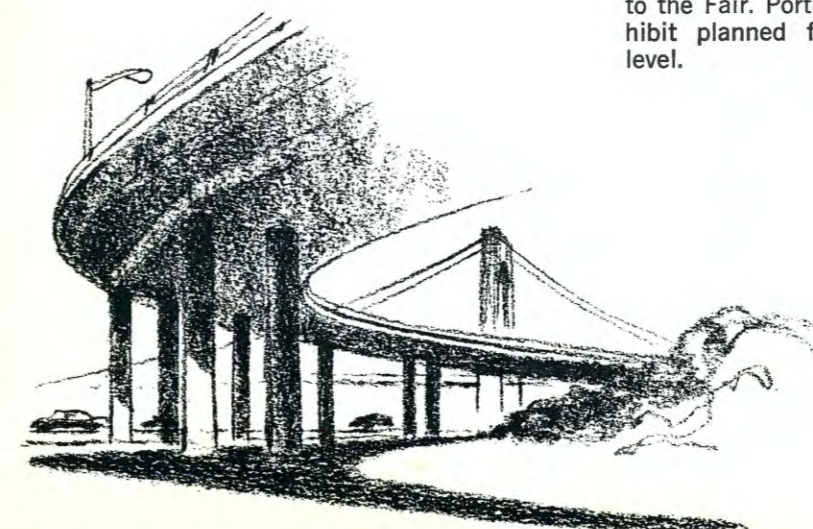
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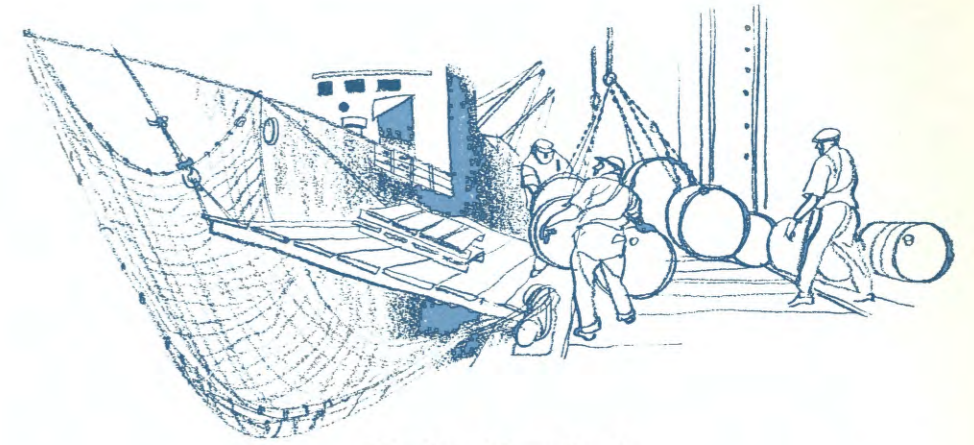
THE STAFF: In-service training and personal development programs expanded. National Safety Council's Award of Honor again presented to Port Authority. Port Authority Medal of Honor presented posthumously to Police Officer Hitler McLeod who was shot while discharging his responsibilities as a peace officer.

Page 54

FINANCIAL—1961: Port Authority bonds totaling \$70,000,000 marketed during the year. Facility investment increased to \$1,116,109,000 and gross operating revenues totaled \$123,267,000.

Page 57





Marine Terminals

A primary responsibility of The Port of New York Authority is to maintain and enhance the Port of New York in its position as the nation's leading seaport. In its continuing efforts toward this end, the Port Authority is engaged in a \$400,000,000 marine terminal development program. This wide-ranging development plan includes the completion of major pier programs in Brooklyn, Port Newark and Elizabeth. The facilities to be provided under this program will improve the competitive position of the Port of New York for the volumes of foreign commerce which flow into and out of this nation. The competition for this commerce is constant and ever-growing, and to successfully attract shipping the Port of New York must provide the most efficient and diversified facilities.

The Port Authority is financing, developing and operating six marine terminals: Port Newark, the Elizabeth-Port Authority Piers and the Hoboken-Port Authority Piers in New Jersey; the Brooklyn-Port Authority Piers, the Erie Basin-Port Authority Piers and the Port Authority Grain Terminal and Columbia Street Pier in New York. These facilities, operated as self-supporting terminals, handled some 33% of the Port's total foreign general cargo during 1961. Their operations resulted in gross revenues to the Port Authority of \$13,889,000.

Major marine terminal projects completed during the year included three new facilities at the Brooklyn-Port Authority Piers, six new cargo distribution buildings at Port Newark, and a new three-open-berth terminal on the south side of Port Newark. Projects started during the year included preliminary work on two new piers in Brooklyn, upland paving and wharf construction at the Elizabeth-Port Authority Piers and two new cargo distribution buildings at Port Newark.

The Brooklyn-Port Authority Piers, as viewed from a helicopter flying south toward The Narrows.

During 1961, the continuing construction program at Port Authority marine terminals required an investment of over \$22,438,000. This brought the total investment of the agency over the past sixteen years to \$185,583,000. The Port Authority has budgeted \$33,281,000 for marine terminal construction in 1962.

During 1961, Port Authority marine terminals handled more than 7,213,100 long tons of cargo, representing an estimated value of about \$4,040,944,000. Of this volume of cargo, more than 5,757,300 tons were classified as the high-value general cargo which generates the great numbers of waterfront jobs in the Port of New York.

As a result, more than 7,600 waterfront jobs were provided at Port Authority marine terminals with payrolls in excess of \$42,320,100. In addition, the continuing construction program provided more than 950 jobs for the building trades with earnings of \$7,768,000.

BROOKLYN-PORT AUTHORITY PIERS

The \$95,000,000 redevelopment program for the Brooklyn-Port Authority Piers continued on schedule during 1961 with the completion of

three new piers. This makes a total of eight piers completed out of thirteen in the redevelopment program.

Pier 6, located at the foot of Atlantic Avenue on property leased from the City of New York, went into operation in March 1961. The new pier was leased to John T. Clark & Son/Jules S. Sottnek Company for 10 years. The primary steamship user of the facility is the Yamashita Line. By the end of 1961, 106 vessels had loaded and discharged 91,183 tons of cargo at the new facility.

Pier 7, immediately south of new Pier 6, was opened in June 1961. This three-berth pier is under lease to Nippon Yusen Kaisha (N.Y.K. Line) for 15 years. It handled 57 cargo vessels and 75,783 tons of cargo by the end of the year.

In November, Pier 8, the third of the new piers to be completed this year, opened for business. Two-berth Pier 8 was leased to the Daido Line, which will be its primary user under a 10-year lease. Other lines represented in New York by A. L. Burbank & Company will also use the new pier.

The new piers, which had an average construction time of only 16 months each, added

seven new vessel berths to this two-mile section of prime Brooklyn waterfront for a total of 19 new berths. The total investment in the redevelopment program at the end of the year was \$68,159,000.

NEW PIERS AUTHORIZED

Contingent on obtaining appropriate long-term rights to use several City-owned waterfront properties located within the sites, construction of three additional piers in the waterfront redevelopment program was authorized late in the year. They include two-berth Piers 9A and 9B, which will replace the three-berth pier originally planned for the same site, and new Pier 5. The New York City Commissioner of Marine and Aviation has concurred in the use of City properties for these piers.

Pier 9A, at the foot of Kane Street in the Baltic Terminal area, will be 750 feet long on its north side, 630 feet long on the south and 320 feet wide, with 176,800 square feet of shedded space. Pier 9B, at the foot of Sedgwick Street, will be 700 feet long on the north, 650 feet long on its south side and 320 feet wide, with 176,800 square feet of shedded space. The two piers will have a combined total of 312,000 square feet of upland area.

The new two-berth Pier 5, to be located at the foot of Joralemon Street, will be 650 feet long on the north side, 625 feet long on the south side and 375 feet wide. It will have 180,000 square feet of covered shed space, and will be supported by about 158,000 square feet of upland area.

Early in 1962 the Commissioners authorized construction of new Pier 12 in the Atlantic Basin to replace the existing, obsolete Pier 38, which was to have been rehabilitated under the original waterfront redevelopment plan. The new pier, a two-berth facility, will be 1,000 feet long on the west side, 720 feet long on the east, and 320 feet wide. The pier shed will provide 182,000 square feet of covered space and will be supported by about 158,000 square feet of upland area. It will be completed in the fall of 1963.

The new piers are being built in advance of leasing to expedite their availability to meet the growing demand for modern marine facilities in the Port. They will be ready for occupancy in the summer and fall of 1963.

The Brooklyn-Port Authority Piers during the year provided more than 1,920 jobs with a

payroll of \$10,748,300. In addition to direct waterfront employment, more than 375 people earned \$3,000,000 on construction jobs at the facility.

The advantages of backland for swift and efficient cargo handling at the spacious new piers were seen during the year when 253,745 trucks discharged and loaded cargoes at the facility with a minimum of congestion. It was noted that as many as 1,550 trucks were handled at the facility in a day.

PORT NEWARK

Port Newark continued to be the busiest of the Port Authority marine terminals. Activity at the seaport provided employment for 3,745 workers who earned more than \$20,780,000. The continuing construction program provided an additional 260 jobs with about \$2,100,000 in payrolls. Port Authority investment in the seaport had increased to \$67,666,000 by year's end.

One of the major improvements completed during the year was the three-berth terminal on the south side of Port Newark at a cost of about \$3,500,000. The new terminal includes a berth on the north side of the new Elizabeth Channel and two berths south of the Norton-Lilly Terminal on Newark Bay. Supporting the berths are 500,000 square feet of paved upland.

Of considerable importance to the seaport was the completion during the year of six cargo distribution buildings which are leased to firms handling waterborne cargoes. The new buildings, built at a cost of more than \$6,000,000, brought to 1,397,600 square feet the new cargo distribution space at Port Newark. At year's end, two additional distribution buildings were started on the south side of Port Newark for completion in mid-1962.

Construction commenced during the year on a new general purpose distribution building leased by the Consolidated Cigar Corporation. This new building will handle Puerto Rican cigars shipped to Port Newark via Sea-Land Service for distribution throughout the United States.

Other projects under way during the year included the widening and improvement of roadways and upland throughout the seaport and site clearance and placement of fill for additional upland areas on the north side of the channel. The Waterfront Commission Employment Information Center and the Seamen's Church Institute recreation center, both on the

New Piers 6 (right), 7, and 8 (left) in the Baltic Terminal Area of the Brooklyn-Port Authority Piers were completed and put into operation during 1961. Eight of the thirteen new piers called for are serving the maritime industry.



south side of Port Newark, were completed during the year.

More than 4,438,900 tons of cargo passed through the seaport in 1961, of which 3,053,150 tons were general cargo and 1,385,750 tons bulk liquids.

The seaport continued to maintain its position as the leading container port in the nation, having handled 1,010,566 tons of containerized cargo, the largest lumber port on the east coast and the foremost import center for foreign cars.

Three new shipping services have been made available at Port Newark. In the early part of the year, the Sabre Shipping Corporation and the Orient Mid-East Lines started handling cargo at Port Newark to and from the Far East.

In April, Sea-Land Service, which operates six specially designed containerships to provide three sailings weekly from Port Newark to Florida and Puerto Rico, inaugurated a new service to the West Coast. Initially this service will utilize three C-2 type vessels and provide two monthly sailings from Port Newark to Los Angeles, Oakland, Alameda, Stockton, California and Portland, Oregon.

In the late spring the United States Lines began routing vessels from Japanese ports to Port Newark.

ELIZABETH-PORT AUTHORITY PIERS

The first phases of the \$150,000,000 development of the 703-acre Elizabeth-Port Authority Piers went forward during the year. By year's end, a 3,300-foot wharf to provide five deep-water berths was nearing completion. More than 1,250,000 cubic yards of sand fill were placed and paving and utilities for the supporting upland areas of the steamship berths were underway. During the year \$8,400,000 were expended on the project.

Ready accessibility to the new seaport will be provided from the north and south by two road development programs. From the north, the first section of the Terminal Street extension for truck and rail access was completed. The southern access will be provided by a connecting roadway to McLester Street.

The Master Plan for the Elizabeth-Port Authority Piers calls for the ultimate construction of 24 deep-sea berths, supported by 400 acres of transit and open storage area. The remaining areas will provide about 5,000,000 square feet of storage, distribution and cargo handling areas.

When completed, the Elizabeth-Port Authority Piers will furnish jobs for some 9,500 waterfront workers with an estimated yearly payroll of \$50,000,000.

A deep-water ship channel, wide aprons, extensive open storage areas and dock-side distribution space make Port Newark one of the most economic and efficient marine terminals in the bi-state Port of New York.



Development of the Elizabeth-Port Authority Piers progressed rapidly in 1961 with construction of wharves, aprons, and distribution buildings. The photograph shows work underway at the head of the 9,000 ft. Elizabeth Channel.

Artist's rendering of Port Newark and the Elizabeth-Port Authority Piers shows the two marine terminals as they will appear upon completion of development. They will handle 11,000,000 tons of cargo a year at 62 deep-water vessel berths.

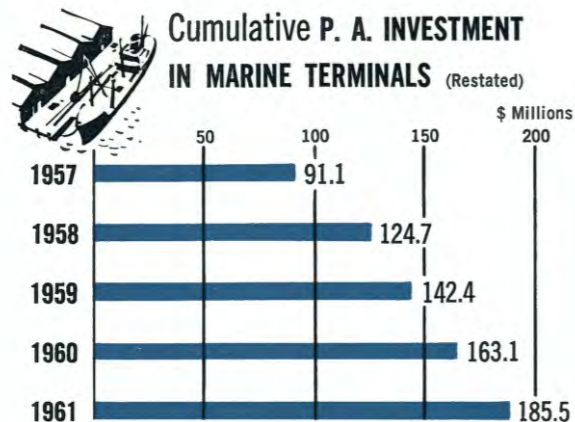
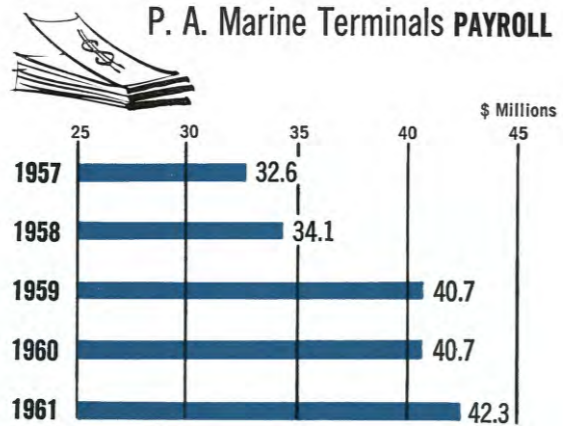
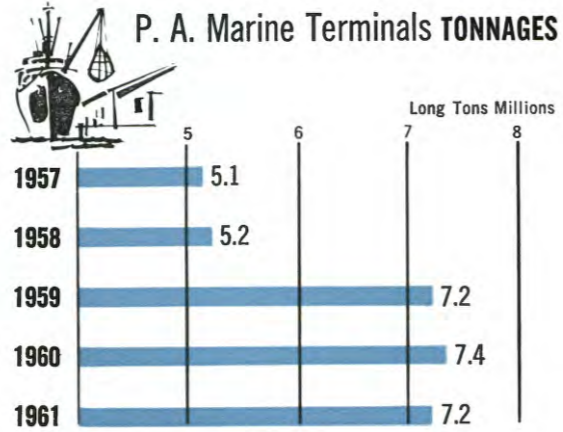


ERIE BASIN-PORT AUTHORITY PIERS

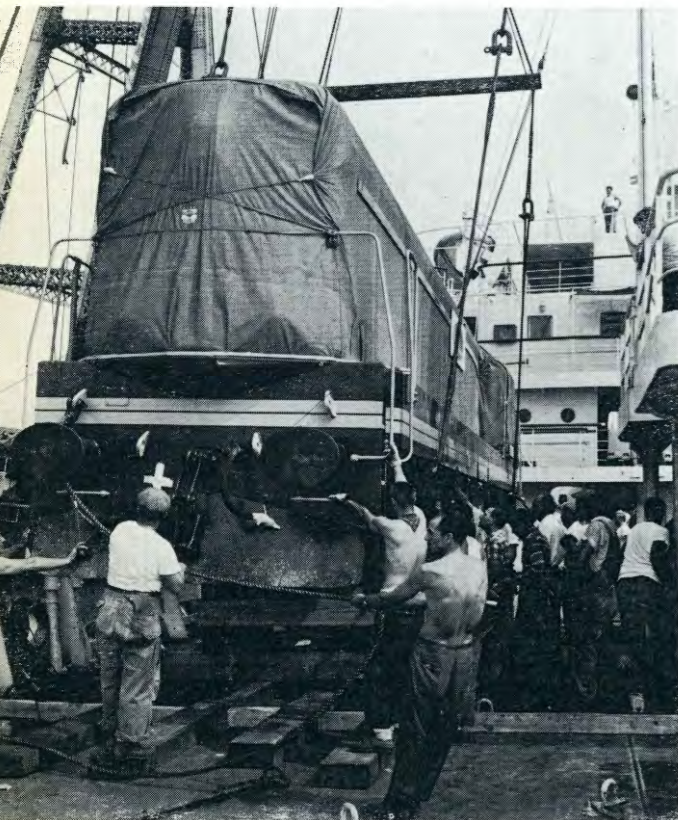
In 1961, the Erie Basin-Port Authority Piers were expanded with the purchase of Piers 45 and 46. These two piers, located immediately north of the facility, together with Pier 44 which was acquired in 1959, will provide sites for future development.

A major construction project was started at Erie Basin during 1961 to provide a new office building, a headhouse structure and a garage building to improve the operations of Piers 1, 2 and 3. The improvement of the facility's fire protection system was accomplished at a cost of \$156,000.

More than 735,000 long tons of cargo were handled at Erie Basin in 1961, providing 994 jobs for waterfront workers who earned \$5,528,100.



Longshoremen shift a foreign-bound diesel locomotive into proper storage position on the ship's deck prior to departure from Erie Basin for its overseas destination.



A busy day at the Hoboken-Port Authority Piers, completed in 1956, and leased to American Export Lines.

The Erie Basin-Port Authority Piers and Port Authority Grain Terminal adjacent to the Brooklyn-Port Authority Piers complete an almost unbroken sweep of 3½ miles of prime Brooklyn waterfront that the Port Authority has underway for redevelopment and modernization.

PORT AUTHORITY GRAIN TERMINAL—COLUMBIA STREET PIER

In 1961, the movement of grain through the Port of New York continued to decline due to the high costs of grain trimming and the competition of grain moving through the St. Lawrence Seaway. During the year, 3,456,626 bushels of grain were elevated and 2,159,940 bushels were loaded directly into deep-sea vessels. This was 63 per cent less than in 1960.

The Columbia Street Pier experienced a lower level of cargo activity than last year, having handled 112,862 tons of cargo, some 35,088 tons less than in 1960.

These facilities have been operated by The Port of New York Authority since 1944.

HOBOKEN-PORT AUTHORITY PIERS

The Hoboken-Port Authority Piers are leased to and operated by the American Export Lines as a combined cargo and passenger terminal. This facility comprises two new piers and one rehabilitated pier in which the Port Authority invested some \$18,000,000.

During 1961, more than 384,500 tons of cargo, valued at \$336,098,000 and 660 passengers moved through this terminal. This activity created 676 jobs with payrolls of \$3,729,400 during the year.





Traffic flows steadily on the New Jersey approaches to the George Washington Bridge during intensive construction activity on the lower level project.

Tunnels and Bridges

In 1961, the Port Authority's tunnels and bridges linking New York and New Jersey served 95,654,283 motorists. This number was slightly below 1960's volume, largely as a result of the unusually severe winter weather. A series of heavy snowstorms in January and February, one of near-blizzard proportions and prolonged sub-freezing weather combined to reduce traffic in the metropolitan area for a full month and resulted in a temporary New York City ban on non-essential driving for almost a week. Total traffic over the Port Authority's facilities in these two months dropped below the corresponding period of 1960 by 2.4 million vehicles.

The six Port Authority-operated interstate vehicular crossings are the George Washington Bridge, Lincoln Tunnel, Holland Tunnel, Bayonne Bridge, Goethals Bridge and Outerbridge Crossing. With the decline in total traffic for the year, gross revenue from the six Port Authority crossings also dropped, amounting to \$50,133,000, down 0.2 per cent from 1960. At the same time, Port Authority investment in the facilities continued to grow, reaching \$448,865,000 in 1961.

Traffic recovered markedly in the second quarter, exceeding last year's. The traffic growth rate remained far below normal, however, and continued low throughout the year. Generally slack business activity was one major deterrent to growth until at least mid-year. In addition, the new Cross-Westchester Expressway, connecting the New York State Thruway at its Elmsford Interchange with the New England Thruway at Rye, was responsible for substantial diversion of traffic from the George Washington Bridge to the Tappan Zee Bridge.

Two of the six Port Authority crossings had volumes below last year's. The George Washington Bridge, most directly affected by the completion of the Tappan Zee Bridge, served 37,998,686 vehicles, a decrease of 2.3 per cent. The Holland Tunnel, which handled 20,541,387 vehicles, registered a slight loss of traffic this year.



The Lincoln Tunnel, with the increased capacity of its third tube, established a new record of 27,904,361 vehicles. Traffic at all of the Staten Island facilities also continued to grow, reaching a total of 9,209,849 vehicles. Traffic at the Goethals Bridge and Bayonne Bridge had high growth rates following the abandonment of a ferry near each facility. At the Goethals Bridge, an unusual amount of truck traffic carrying construction materials between New Jersey and new Staten Island expressways increased volume.



TRAFFIC

(In thousands)

	1960	1961
ALL CROSSINGS		
Automobiles	80,238	79,127
Buses	3,308	3,465
Trucks	12,661	13,062
Total Vehicles	96,207	95,654
GEORGE WASHINGTON BRIDGE		
Automobiles	35,323	34,459
Buses	652	660
Trucks	2,911	2,880
Total Vehicles	38,886	37,999
LINCOLN TUNNEL		
Automobiles	21,439	21,323
Buses	2,501	2,653
Trucks	3,765	3,928
Total Vehicles	27,705	27,904
HOLLAND TUNNEL		
Automobiles	15,824	15,233
Buses	116	113
Trucks	5,169	5,195
Total Vehicles	21,109	20,541
STATEN ISLAND BRIDGES		
Automobiles	7,652	8,112
Buses	39	39
Trucks	815	1,059
Total Vehicles	8,506	9,210

GEORGE WASHINGTON BRIDGE LOWER LEVEL

Scheduled for completion in the fall of 1962, construction of the six-lane lower level of the George Washington Bridge has gone forward rapidly since it began in 1958. By the end of 1961 over 80 per cent of construction was completed with sections of the approach roadways already opened to traffic. Operation of the Bridge has been effectively maintained with minimum inconvenience to patrons.

With the completion of the erection of steel and pouring of special lightweight concrete for the roadway, the only major work remaining on the main span is the installation of a new bridge fire standpipe system and laying of the asphaltic roadway wearing course.

An integral part of the New York approach system of the Bridge is the George Washington Bridge Bus Station, on which construction progressed rapidly during 1961. The operational characteristics of the Station are discussed in the chapter on Terminals.

In New Jersey, construction of the two approach roadway tunnels to the Lower Level has been completed except for interior finishes. These tunnels were carved out of the rock of the Palisades by the "cut-and-cover" method and actually run beneath the main bridge plaza. The new Administration Building was completed in May.

The construction of the approaches to the lower level required the reconstruction of ten major bridges that carry north-south traffic across the main approach roadways. Five of these have been completed in New York and four in New Jersey. The last one, located in New Jersey, is scheduled for completion in mid-1962.

Throughout the project close liaison has been maintained with State and municipal officials to coordinate the planning, construction and scheduling of the bridge approaches in relation to other arterial highway projects. At the eastern end of the project the George Washington Bridge Expressway will connect directly with the new Alexander Hamilton Bridge over the Harlem River. This bridge will have direct connections with the Major Deegan Expressway and the Cross-Bronx Expressway now under construction by the State of New York. The Cross-Bronx Expressway connection is scheduled for completion in the fall of 1962 and the Major Deegan connection in the spring of 1964.

The completed approach system in New Jersey will provide direct connections between the Bridge and highways US-1, US-9W, US-46, NJ-4, the Palisades Interstate Parkway and the new Bergen Freeway, scheduled for completion in late 1963. These highways will in turn provide direct connections with the New Jersey Turnpike and Garden State Parkway.

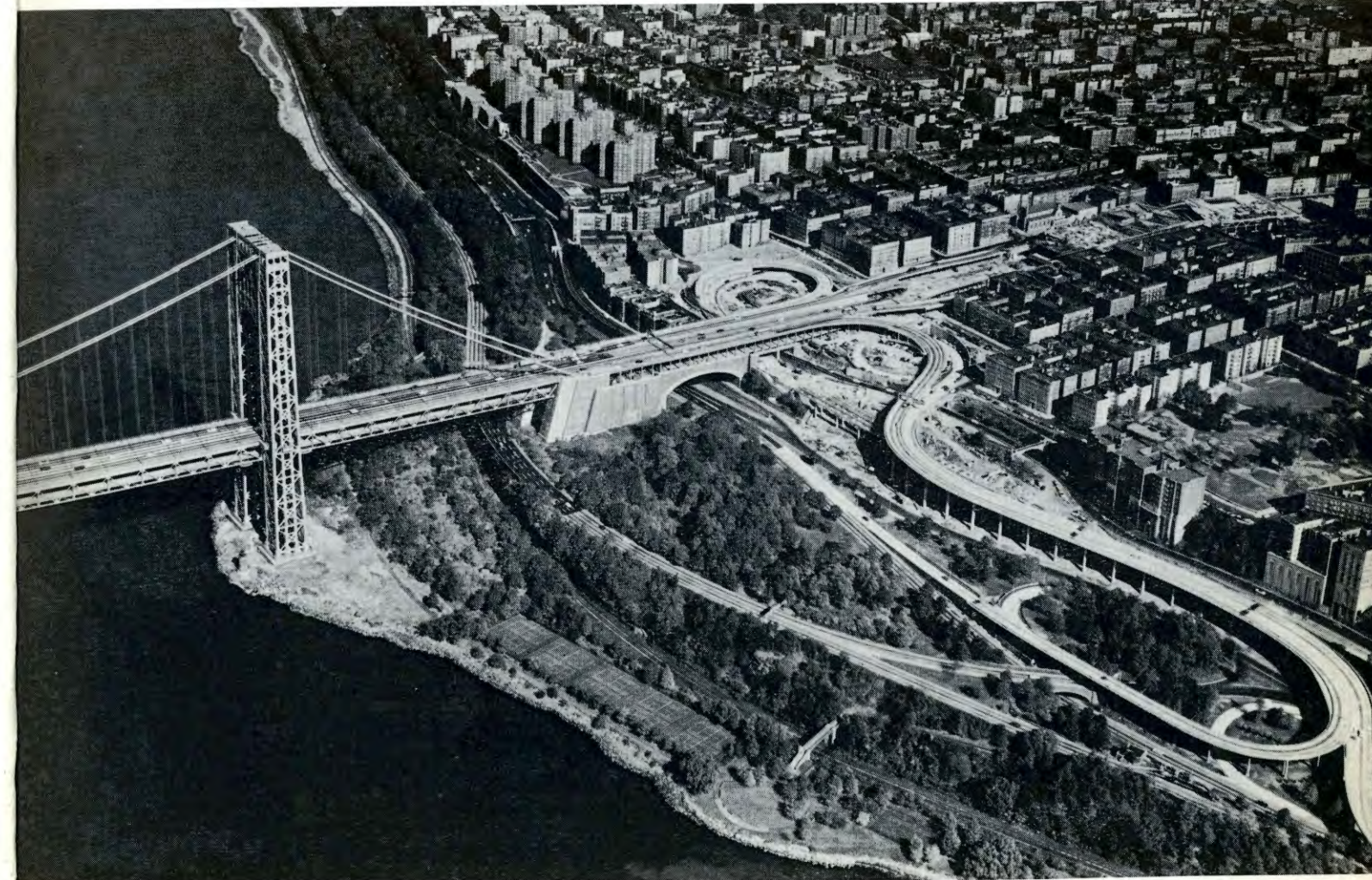
TRAFFIC FLOW RESEARCH

During 1961, study continued on the development of systems to improve the flow of traffic through the Port Authority's trans-Hudson tunnels. Electronic equipment, designed and built by the Port Authority staff, and installed in the Holland Tunnel, automatically determines the maximum number of vehicles which should enter the tunnel each minute in order to main-

tain a high rate of traffic flow. By controlling the number of vehicles entering the tunnel, based on the speed and density of traffic inside the tunnel, it is possible to reduce congestion, reduce the number of stalled vehicles and increase the volume of traffic.

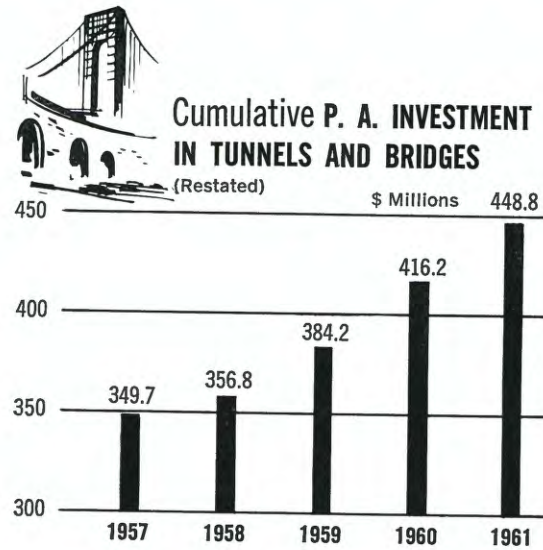
As the speed and density of the traffic in the tunnel changes, an electronic computer automatically determines the changes that should be made at the tunnel entrance to maintain a steady flow of traffic. The application of this principle is the result of several years of research by the Port Authority staff on the complexities of traffic behavior. With the success of these studies at the Holland Tunnel the staff is applying these principles to traffic flow at the Lincoln Tunnel.

Improvement to the Manhattan approaches of the George Washington Bridge includes new and widened entrance and exit ramps along Riverside Drive, the twelve-lane depressed George Washington Bridge Expressway and the George Washington Bridge Bus Station (upper right) being built above the approach roadway.

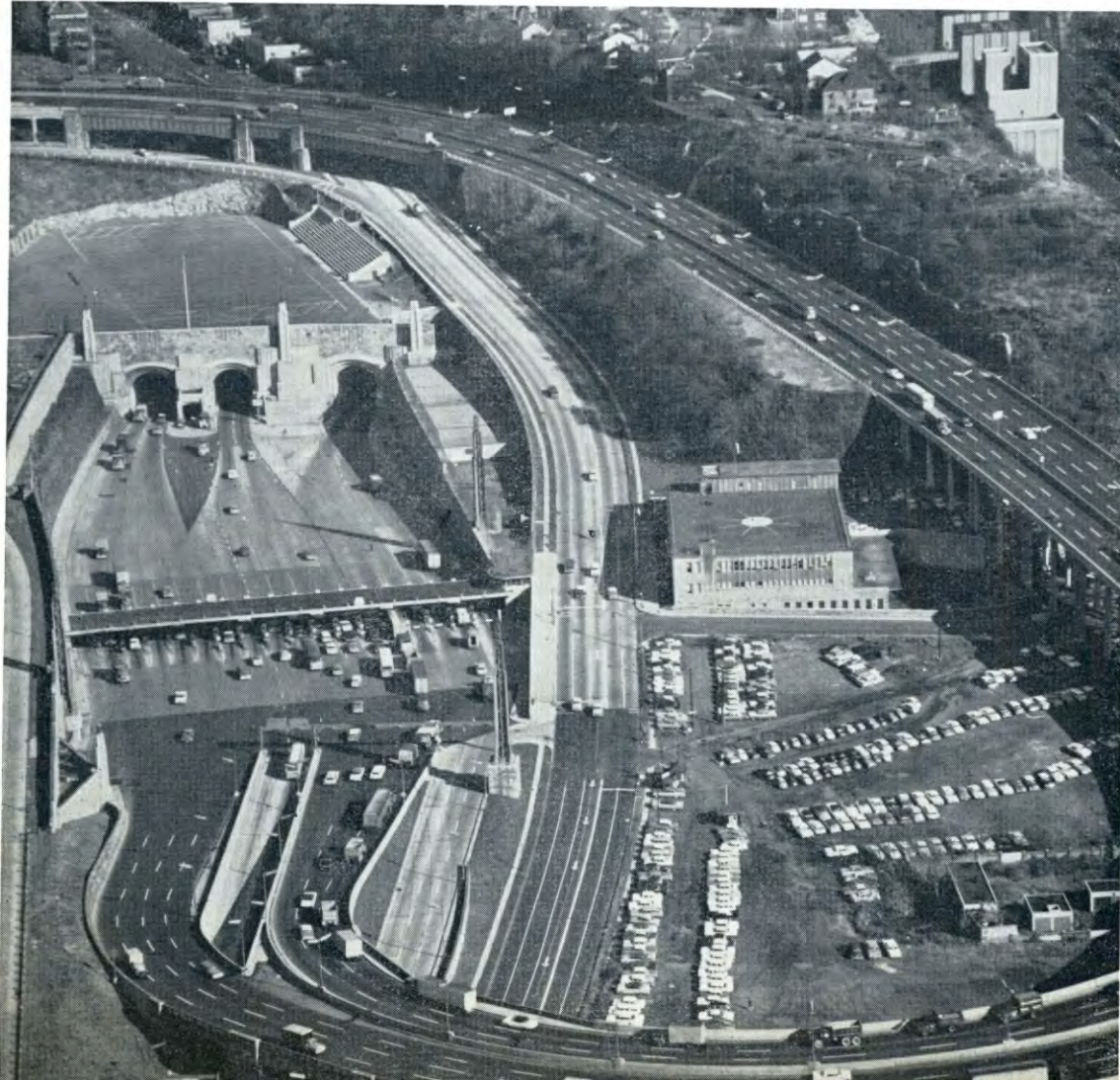


NEW TUNNEL POLICE SYSTEM

Following the successful development of an experimental gasoline powered catwalk car to transport police officers along the narrow tunnel catwalks at speeds up to thirty miles per hour, the Port Authority is building more of these vehicles. The 3,000 feet of guide rail used for testing the experimental vehicle in the South Tube of the Lincoln Tunnel will be extended for the remaining 5,000 feet of the tunnel catwalk. A closed circuit television system will also be installed at three separate points along the catwalk to enable police officers to inspect the tunnel roadway beyond their direct view. The new system, in which each police officer in the tunnel will be equipped with a catwalk car and a television monitor, will require only three police officers to supervise traffic in the peak hours. The new system is expected to be in use during 1962.



The Lincoln Tunnel, only three-tube underwater vehicular tunnel in operation in the world, carried 27,904,361 automobiles, buses, and trucks in 1961. The helix on the New Jersey approaches and the portals of the three tubes are shown.



FACILITY IMPROVEMENTS

One of the major maintenance programs started in 1961 was the repaving of the Holland Tunnel roadways. The North Tube was resurfaced with asphaltic concrete during the year and the South Tube will be resurfaced in the spring. This program also included re-surfacing of the New York Exit Rotary with a new wearing surface of asphaltic concrete.

Several other roadway areas were resurfaced by applying a "skin" coating of silica sand asphalt over the existing roadway surface. These included the 12th and 14th Street New Jersey approaches to the Holland Tunnel, the South Tube and part of the North Tube of the Lincoln Tunnel, the New Jersey Helix approach to the Lincoln Tunnel, and Dyer Avenue between 34th and 42nd Streets in New York.

In conjunction with the expansion of the Port Authority Bus Terminal, which is discussed in the chapter on Terminals, new direct ramp con-

nections were built between the Bus Terminal and the Lincoln Tunnel. Improvements were also made to the existing ramps to permit more flexible operation for the several traffic flow patterns to be used on the ramps.

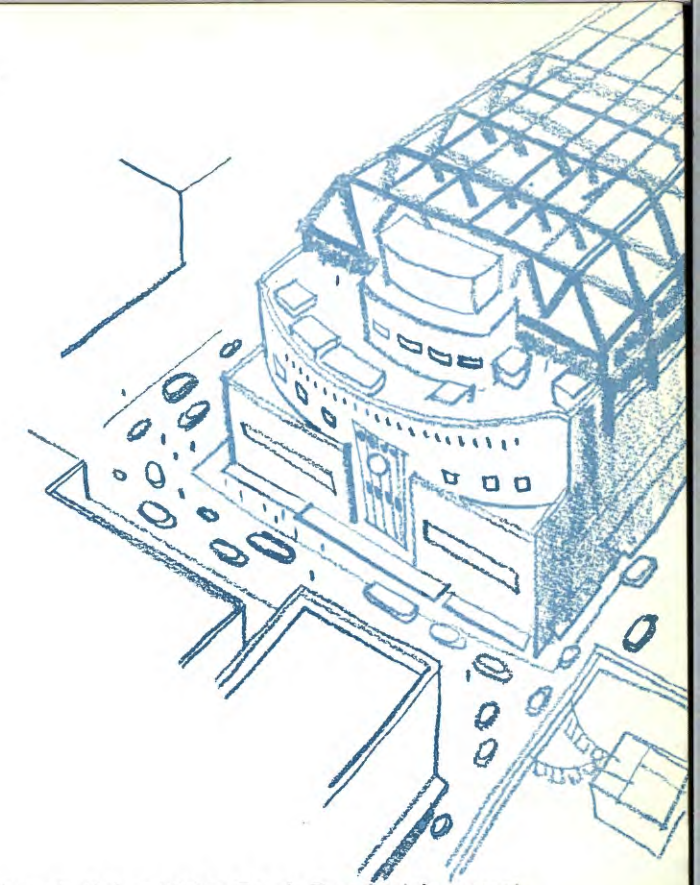
With the construction of the Narrows Bridge, plans are being developed for new expanded plazas and approaches at the Bayonne Bridge, Goethals Bridge, and Outerbridge Crossing. A new Administration Building will be built at the Goethals Bridge to accommodate functions now scattered at the three bridges.

LINCOLN TUNNEL PARKING LOT

The Lincoln Tunnel Parking Lot, which was opened in 1955, handled 476,441 vehicles in 1961, an increase of 3.8 per cent over 1960. Commuter traffic (before 9:00 a.m., Monday through Friday, utilizing the direct route by bus to the Bus Terminal) totaled 245,417 vehicles, or 9.6 per cent more than last year. The facility can accommodate about 1,300 cars at one time.

The Outerbridge Crossing linking Staten Island with Perth Amboy, New Jersey, was opened to traffic in 1928. The Bridge is undergoing an extensive rehabilitation and improvement program to serve future traffic needs.





Terminals

Significant progress was made during the year in the Port Authority's program to provide new and improved bus passenger facilities for the Port District. The expansion of the Port Authority Bus Terminal in mid-Manhattan is on schedule for completion in 1962. Already, important elements of the \$20,250,000 Bus Terminal expansion program have been placed into service. These include widened motor stairs, ventilated platforms, and parts of the expanded ramp system. In addition, limited operations were commenced on the new Upper Bus Level late in the year.

Transportation and terminal facilities operated under the jurisdiction of the Inland Terminals Department include the Port Authority Bus Terminal, the Port Authority Building, the New York Union Motor Truck Terminal, and the Newark Union Motor Truck Terminal.

Despite severe restriction of operation space caused by construction activity, the Bus Terminal handled a record 2,200,000 bus movements and more than 57,000,000 passengers.

The Port Authority Building continued in 1961 as a combined main administrative office for the Port Authority and an important distributing and consolidating center for the region's rail and motor truck freight movements. Consolidating and distributing activity for over-the-road trucking carriers also continued at a high level at the New York Union Motor Truck Terminal. The

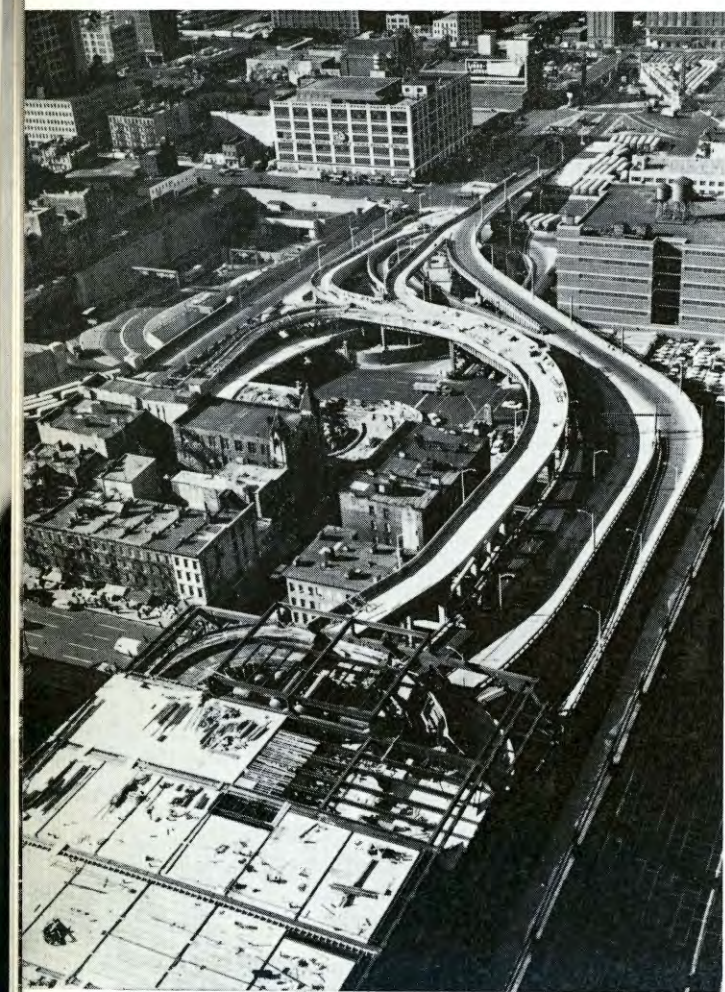
Newark Union Motor Truck Terminal is operating at present with limited occupancy.

Gross revenues of \$8,470,000 at these public inland terminals during 1961 reflect their record volumes of activity. There were 7,720 jobs at these facilities during the year with a payroll of \$37,195,000. Investment in inland terminal properties increased to \$76,916,000, with \$10,142,000 added in 1961.

PORT AUTHORITY BUS TERMINAL EXPANSION

To meet the growing demand for bus facilities, the Port Authority began a \$20,250,000 expansion program at the Port Authority Bus Terminal in March 1960. The program, to be completed late in 1962, will increase the Terminal's capacity by 50 per cent and provide increased passenger comfort and convenience. All construction has been carefully coordinated with bus operations to provide a minimum of interference with commuters and other bus travelers whose numbers continue to grow.

The principal feature of the expansion is the conversion of the former roof parking area to bus operations, as contemplated in the original design of the structure. The new Upper Bus Level incorporates a common unloading platform along the entire 40th Street side of the building, eight suburban bus loading platforms with 32 commuter bus positions and a new air conditioned passenger concourse with 25 loading positions for long distance buses.



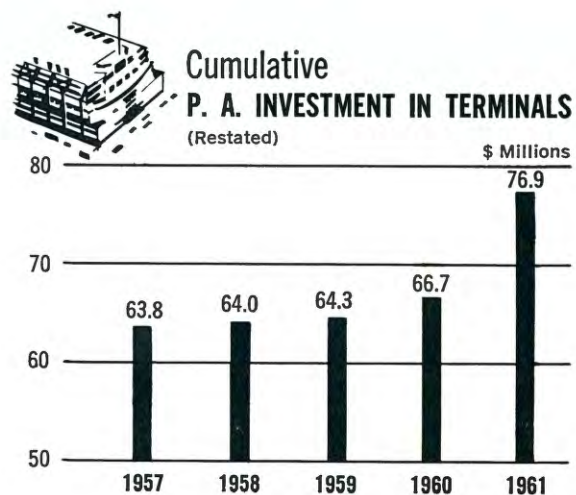
Construction of new and improved ramps from the Lincoln Tunnel to serve the expanded Port Authority Bus Terminal progressed rapidly toward completion this year.

To replace the former 450-car parking facility on the roof, a three-level superstructure with a capacity of more than 1,000 cars is under construction. It will be completed early in 1962. During the year 20,000 tons of structural steel were erected to provide the framework of the new superstructure and ramps. The final section of steel truss for the new parking facility was raised on June 21.

A new overpass spanning Ninth Avenue was completed during the year. It provides direct access between the new parking area atop the Bus Terminal and the expanded bus and automobile ramps from the Lincoln Tunnel.

The expansion and improvement of the Lincoln Tunnel ramp system leading into the Bus Terminal will accommodate the added Terminal capacity and provide increased operating flexibility. Modification of the ramps will permit buses leaving the Terminal to be routed directly to the center tube of the Tunnel in addition to the north tube access route which was available previously. At the same time, Terminal-bound traffic will be able to enter the ramp network from the east side of the Dyer Avenue approach to the Tunnel, supplementing the existing approach from the west side of Dyer Avenue. The supplementary ramp system, like the present ramps, will contain heating coils beneath the road surface for snow melting.

Pedestrian traffic in the enlarged Terminal will be expedited by the addition of 27 new motorstairs, including fifteen which will serve the new Upper Bus Level. The main bank of motorstairs between the Main and Suburban Concourses already has been replaced with four modern extra-width units, nearly doubling the passenger handling capacity of this group of motorstairs. In addition, new stairways are being added and corridors widened for greater convenience of passenger flow. The Terminal's baggage handling facilities will be altered and expanded to accommodate heavier demands for service.



VENTILATION IMPROVEMENTS UNDER WAY

Increased ventilation and air conditioning, both on the existing bus operating levels of the Terminal and on the new Upper Bus Level, are one of the principal features of the expansion program. Over \$1,500,000 of the construction costs are being expended to increase the capacity of the building's numerous air handling systems. The Bus Terminal's original extensive mechanical ventilating system previously was expanded in stages by approximately forty per cent to match the demands of growing traffic in the years prior to the expansion program.

The Port Authority has developed a new method for ventilating passenger platforms on the Suburban Bus Level. The waiting areas are being enclosed with steel and glass panels, and will be ventilated by fresh air pumped in from outside to concentrate the benefit of this ventilation where it is most needed. During 1961

the duct work and fan systems were installed and the construction of the enclosures was started. Completion of the enclosures has been scheduled for mid-1962 after other construction work on the platforms has been completed.

In addition, the side wall openings on the Suburban Bus Level were enlarged by about one-third during 1961 to allow greater natural ventilation and 13 huge fans were installed on this level to increase the exhaust capacity.

The new Upper Bus Level will have a ventilation system similar to the reconstructed Suburban Bus Level, taking advantage of large sidewall openings for natural ventilation.

On the Long Distance Bus Level, exhaust capacity is being more than doubled and supplementary fresh air supply systems are being added over most loading gates. Air conditioning on the lower level Long Distance Concourse will be increased by more than six times.

Ventilation improvements on bus operating platforms throughout the busy terminal are an integral part of the Bus Terminal expansion program. Shown above is an enclosed and ventilated platform on the Suburban Bus Level.



BUS ACTIVITY AGAIN AT RECORD LEVEL

Record levels were maintained in almost every category of activity at the Bus Terminal during 1961 despite the restrictions placed on operations by the construction program. Total bus departures at the Terminal again exceeded one million, reaching 1,065,000. Suburban traffic accounted for nearly 862,000 of these movements, increasing over last year's record by 2.5 per cent. Long distance departures, which totaled 203,000 showed a far greater proportionate gain, rising 17 per cent over 1960.

More than 57,000,000 passengers were served by the buses using the long distance and suburban bus facilities. On a typical weekday, about 1.5 million passengers were served, an increase of 17 per cent over 1960.

The past year's growth in long distance activity was shared by almost all of the carriers at the Terminal. Traffic gains were especially sharp on the midle distance runs to Middlesex and Somerset Counties in New Jersey, where population has been increasing. At the same time, the traditionally long distance carriers, serving major cities on the Eastern seaboard, continued to register steady and impressive increases. A total of 203,000 departures were recorded. Long haul service was provided for over 10,000,000 arriving and departing passengers.

Traffic gains were common to most suburban carriers using the Terminal. Characteristic of most mass transportation media, weekday traffic continued to score most of the increases, especially peak hour service, while week end traffic tended to decline. More than 47,000,000 short haul passengers were served. Total suburban departures reached 861,700.

PORT AUTHORITY BUILDING

The fifteen-story Port Authority Building, one of the largest in the world, occupies the full block between Eighth and Ninth Avenues and 15th and 16th Streets in Manhattan. This building has the dual role of housing the main administrative offices of the Port Authority and providing one of the largest off-street consolidating and distributing centers for rail and truck freight in the New York region.

The building contains 192 off-street truck berths on its basement and street level floors. In addition, four huge elevators capable of accommodating 20-ton trucks service receiving areas on its upper floors for the 60 manufacturing and commercial tenants.

TRUCK TERMINALS

Inland Terminals Department truck terminal facilities consist of the New York Union Motor Truck Terminal with 142 truck berths located in downtown Manhattan near the Holland Tunnel, and the Newark Union Motor Truck Terminal, a 160-berth facility, located in the industrial area of Newark, New Jersey.

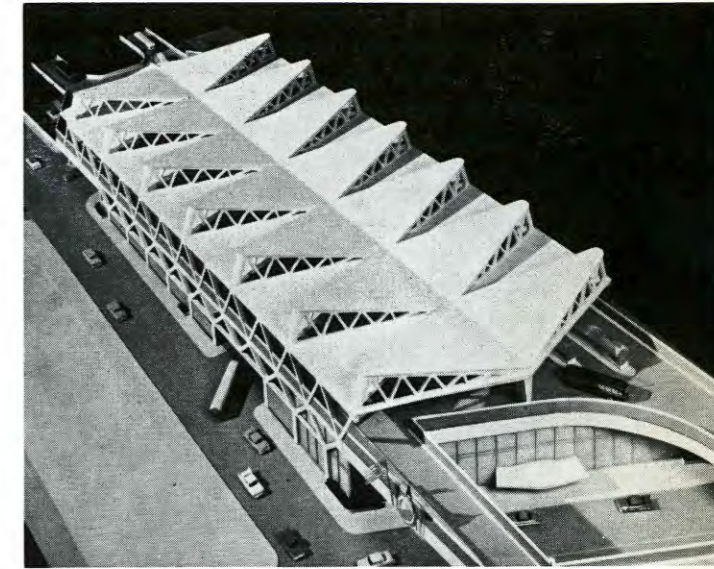
These union trucking facilities operate as consolidating and distribution centers for less-than-truck load (LTL) freight. Small truck freight shipments are received at these centralized terminals and consolidated for transfer into larger truck load shipments. Conversely, large, over-the-road trucks are unloaded at the terminals and the freight distributed throughout the metropolitan region. Both Terminals contribute to improved regional transportation by reducing duplicative and unnecessary handling and trucking of freight.

George Washington Bridge Bus Station

Construction of the George Washington Bridge Bus Station, an important part of the lower level expansion, progressed significantly during 1961. The \$13,000,000 Bus Station between Fort Washington and Wadsworth Avenues above the twelve-lane depressed George Washington Bridge Expressway is scheduled for completion in the fall of 1962. The Station will have direct ramp access to the upper level of the Bridge.

In February the first major steel column, part of a total of 6,700 tons of steel used in the building, was erected. The building structure began to take on final form in November with the initial concrete pouring of segments of the strikingly functional roof designed by famed architect-engineer Dr. Pier Luigi Nervi.

The two-block-long structure consists of two principal components: the three-level station, and an elevated bus parking platform connected directly with the bus operating level by bridges across Broadway. The main structure, about 400 feet long and 185 feet wide, will include a Long Distance Bus Level, an intermediate passenger concourse and Suburban Bus Level. The parking area will occupy the entire block between Broadway and Wadsworth Avenue and provide off-street bus turn-around space and standby parking for 90 buses during non-peak periods.



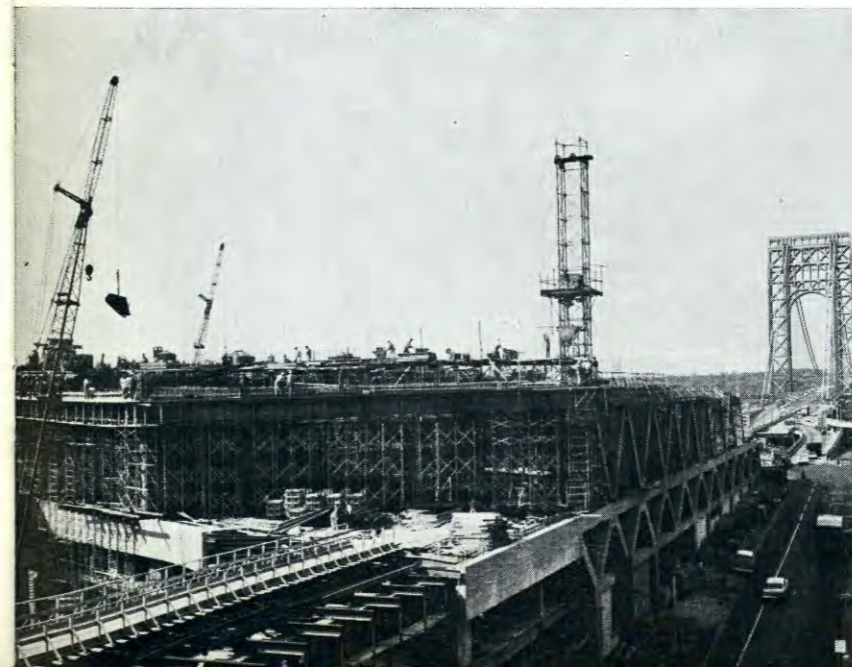
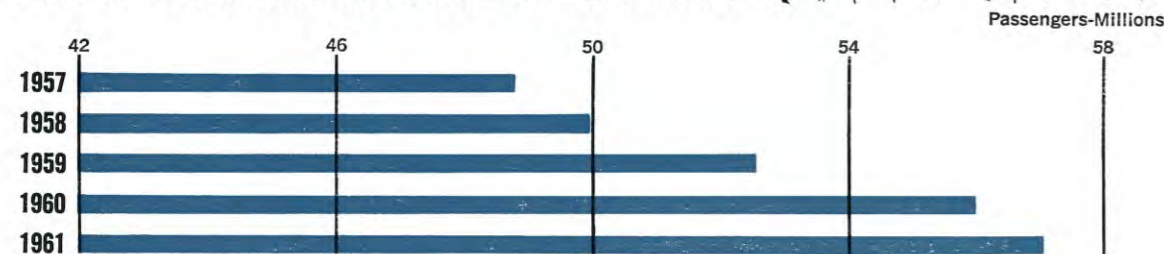
Model of the George Washington Bridge Bus Station showing the distinctive and functional design for the concrete roof and side walls which was created by Pier Luigi Nervi.

The George Washington Bridge Bus Station will replace the present scattered open air bus terminals and street corner bus operations in Washington Heights. Connected with the bridge by a direct ramp system, the facility will relieve traffic congestion in the Washington Heights area by removing almost 2,000 daily interstate bus movements from local streets. This Bus Station has been included in the George Washington Bridge improvement program at the request of the City of New York.

Commuter buses will operate from the third level which provides 36 bus loading positions on ten island-type platforms and an unloading platform along the entire south side of the building. The Main Concourse, designed to serve as a distribution area for the estimated 50,000 daily passengers, provides essential passenger service facilities such as ticket windows, rest rooms, a waiting room and a restaurant. Several consumer services will also be located on this level.

The lower level contains long distance bus facilities comprised of seven "saw tooth" loading and unloading berths, and a passenger concourse located at street grade just west of Broadway. At the west, or Fort Washington Avenue end of the building, a Subway Mezzanine below street grades provides subway patrons with direct access to the 175th Street station of the Eighth Avenue IND subway.

Bus Terminal ARRIVING AND DEPARTING PASSENGERS



Pouring of concrete for the side walls and roof of the George Washington Bridge Bus Station commenced in 1961. The Station is located on the Manhattan approaches to the great Bridge above the twelve-lane depressed George Washington Bridge Expressway.

Air Terminals

The air terminals operated by the Port Authority to meet the air travel needs of the New York-New Jersey Metropolitan Area include New York International and LaGuardia Airports in New York, Newark and Teterboro Airports in New Jersey, and two commercial heliports in Manhattan on waterfront property leased from the City of New York. In 1961, this Regional Air Terminal System served a record 16,301,000 commercial air passengers, an increase of 2.1 per cent over 1960.* Air cargo increased 11.4 per cent to a new high of 505,946,000 pounds and air mail handled at the airports rose to 152,675,000 pounds, a 12 per cent increase over the previous year.

*1960 traffic figures adjusted to reflect commercial passengers only. Non-commercial passengers are no longer recorded.

The major construction activity during the year took place at LaGuardia Airport, where a \$65,000,000 Rehabilitation Program is underway. Progress also was made on the planning and development of passenger terminal, runway and air cargo facilities at the other air terminals. Commercial jet aircraft were introduced at Newark Airport on a limited basis in 1961, signaling the first scheduled jet service for northern New Jersey. In May, the Port Authority submitted without recommendation to the Governors and Legislators of New Jersey and New York "A Report on Airport Requirements and Sites in the Metropolitan New Jersey-New York Region."

The regional air terminals provided employment for 41,419 people who earned an estimated \$303,000,000 in 1961. This does not include the

many hundreds of workers employed on the extensive construction jobs at the airports. Investment in the Regional Air Terminal System by the Port Authority increased by \$38,407,000 during the year, bringing the bi-state agency's total investment to \$404,743,000.

NEW YORK INTERNATIONAL AIRPORT

New York International Airport, the busiest air terminal in the Port Authority's regional air port system and the second busiest in the nation for air carrier movements, served 10,147,000 commercial air passengers in 1961, an increase of 15.3 per cent over 1960. The number of domestic passengers increased to 7,250,000 during the year, a gain of 21.2 per cent, and overseas passengers increased 2.7 per cent to 2,897,000.

With the addition of Pakistan International Airlines, the 23rd foreign-flag carrier, a total of 39 airlines now serve the airport. These airlines made 226,000 landings and take-offs at New York International in 1961, as compared with 214,000 in 1960 when the terminal ranked fourth in the United States.

In June, for the first time in the airport's history, more than one million passengers were served during a single month. July, August and October were also million-passenger months. In September the airport served its 50,000,000th air passenger since the beginning of operations in June, 1948.

The 353,000,000 pounds of air cargo handled at the airport during the year surpassed 1960 by 27.9 per cent. Air Mail increased 30.2 per cent to 114,903,000 pounds.



The American Society of Civil Engineers selected the airport for its 1961 Award as the Outstanding Civil Engineering Achievement of the Year "of a magnitude unprecedented in the history of airport planning, design and construction."

The 30,265 people who are employed at the airport earned an estimated \$217,000,000 in 1961, a 6 per cent increase in jobs and a 14 per cent increase in earnings over 1960. The Port Authority invested \$22,609,000 in airport facilities, raising total investment by the end of the year to \$311,110,000.

NEW UNIT TERMINALS

The unique \$15,000,000 Trans World Airlines' passenger terminal building neared completion at the close of 1961 and will begin operation early in 1962.

The \$10,000,000 unit terminal which will be shared by Northwest Orient Airlines, Braniff International Airways and Northeast Airlines also will be completed in 1962, when there will be a total of nine passenger terminal buildings in operation in Terminal City.

AIR CARGO CENTER

Construction of two new Cargo Buildings, to cost \$2,900,000, began in July as part of a program to expand the five-building, 89-acre Air Cargo Center at New York International. These buildings are to be completed by mid-1962 and will add 124,000 square feet of space to the 296,000 square foot air cargo center.

Plans were developed for four cargo service buildings to provide an additional 115,000 square feet of space for freight forwarders and other firms which handle air cargo shipments. In addition, Cargo Service Building 80 will be expanded about 37,000 square feet at a cost of \$1,000,000 to provide additional space for government agencies, customs brokers and freight forwarders.

INTERNATIONAL ARRIVAL BUILDING

An expansion of the East Customs Hall of the International Arrival Building was completed in the spring to help expedite the handling of passengers and baggage. Baggage bins in the east portion of the building were moved to the newly expanded area to provide additional space for passengers.

An \$833,000 addition to the center section of the Customs Hall also was completed in 1961 to permit installation of four new Customs counters. Offices of the Department of Agriculture and Bureau of Customs also were relocated to make room for four additional inspection counters, and to provide space for baggage from two additional flight arrivals. This will make it possible to handle up to 8 jet aircraft arrivals simultaneously.

CENTRAL HEATING AND REFRIGERATION PLANT

Work started on the \$4,880,000 second phase of the Central Heating and Refrigeration Plant. This will include installation of three additional boilers to provide hot water for heating and seven new absorption units to provide chilled water for air conditioning for the passenger buildings in Terminal City.

AVIATION FUEL TANKS

To meet the airlines' increasing needs for aviation fuel, construction began in June on eight 500,000-gallon fuel tanks to cost \$1,865,000. When they are completed in 1962, the total capacity of the airport bulk fuel farm will be 17,880,000 gallons, the largest in the world.

OTHER DEVELOPMENTS

Agreement was reached at the close of 1961 with the architects for the Catholic, Jewish and Protestant faiths on the design of the three-building Chapel Plaza at New York International Airport. Architectural plans of the three structures, to be located on the north side and bordering the lagoon in Terminal City's International Park, reflect the Plaza's compatibility with the other buildings in Terminal City. Construction of the chapels is expected to start in 1962.

Work proceeded in 1961 on the new central telephone building, being built by the New York Telephone Company to serve the 7,500 telephones at the airport. The \$1,250,000 structure, on a three-acre site adjoining the cargo area, will be completed in mid-1962. It will house several million dollars worth of communication equipment. The Port Authority completed a \$150,000 contract for bringing paving and utilities to the site.

Dredging permits were secured from the U. S. Army Corps of Engineers for a 3,550-foot southerly extension of Runway 4L-22R into Jamaica Bay. Fill work started at the end of the year for the runway extension and related taxiways to cost \$7,800,000. When the extension is completed in the fall of 1964, the runway will be 11,400 feet long. This will permit its use for take-offs exclusively while parallel Runway 4R-22L is used for landings.

The \$2,700,000 new wing of the International Hotel was completed in October. The addition contains 200 guest rooms and several large banquet and public meeting rooms. The hotel now has 520 guest rooms.

Construction began in 1961 on taxiway and service road bridges over a section of new four-lane divided roadway which will eliminate the aircraft taxiway grade crossing on the 150th Street Approach Road at the airport, now used principally by service vehicles. Work on the \$6,200,000-project marks the first step toward implementation of the airport master plan to provide a second major entrance to the passenger terminal area.



Air cargo handling by the Regional Air Terminal System reached a record 505,946,000 pounds in 1961. The steadily increasing demand for air freight service required the commencement of a \$2,700,000 expansion of the Air Cargo Center at New York International Airport.

New York International Airport, the second busiest air terminal in the nation for air carrier movements, served 10,147,000 commercial air passengers in 1961 and 226,000 aircraft movements. Construction of two individual passenger terminal buildings in the 655-acre Terminal City advanced toward their completion this year.



LA GUARDIA AIRPORT

Completion of a new 5,965-foot runway, as well as progress on the new 12-story Control Tower and two-story finger buildings of the new passenger terminal highlighted the redevelopment program of LaGuardia Airport during the year. With continuing service at the airport during reconstruction, it handled 3,293,000 commercial passengers in 1961.

Aircraft movements were confined to a single runway during the first part of the year and take-offs and landings declined to 164,000, or 14.4 per cent below 1960. Air Cargo totalled 30,980,000 pounds, down 49.5 per cent from 1960, and air mail decreased 48.5 per cent to 13,861,000 pounds.

There were 5,883 people employed at LaGuardia during the year who earned an estimated \$47,000,000. By the end of 1961, total Port Authority investment in the airport reached \$42,689,000.

TERMINAL FACILITIES

As part of the \$65,000,000 redevelopment project to be completed in 1964, work proceeded during the year on a great new Passenger Terminal Building nearly seven times as large as the structure it will replace.

To make room for this modern terminal, the outmoded Domestic Terminal Building and related arcades was razed during the year. Airline tenants and consumer services were moved to temporary quarters to provide uninterrupted service to passengers until the new terminal is completed.

The new \$30,000,000 terminal will have a four-story central section flanked by three-story wing buildings to house individual passenger facilities for the five major airlines serving the airport.

Departing passengers will enter the terminal of the airline on which they are traveling at the second floor level by means of an elevated vehicular roadway. They will then proceed through one of four arcades to a second-level aircraft loading bridge. Arriving passengers also will pass through the connecting arcade at the second floor level and then descend to the second floor of the terminal to claim their baggage and board cars, buses or taxis.

The four two-story arcades extending from the terminal building to the aircraft apron will provide 36 aircraft gate positions, an increase

of 12 over the previous service. Structural steel work, flooring and roof decking of these arcades were completed and utilities installed.

Eleven of the twelve-stories of the Control Tower, located above the west finger were built by the end of the year. The most modern radar and communications equipment will be installed by the FAA when the facility is completed in 1962. In the meantime, an FAA-equipped Temporary Control Tower which was moved from Newark Airport is handling air traffic at the airport.

Driving of the concrete piles for the East and West Wing Buildings commenced in 1960 and continued during 1961. Deficiencies were discovered in some of the piles. Consequently, studies were made that resulted in a decision to install additional piles to insure integrity of construction.

New Parking Lots 3 and 4, with a capacity of 1,634 cars were completed and opened in 1961. The relocated airport roadway system which serves Hangars 2, 4, 6 and 8 also was completed during the year.

Artist's rendering of the passenger terminal area of LaGuardia Airport showing the four-story Central Terminal Buildings, arcades, and control tower, as they will appear upon completion of the \$65 million redevelopment project.



Construction of a new runway, control tower, and finger buildings of the Central Terminal Building as part of the LaGuardia Airport redevelopment program was carried out with service to 3,293,000 commercial passengers in 1961.

RUNWAYS

The new 5,965-foot Runway 13-31 was completed at a cost of \$4,500,000 and activated on November 2. The old Runway 13-31, 350 feet to the south of the new runway, is being converted to a parallel taxiway.

Early in the year, the FAA installed the nation's first Visual Glide Slope Indicators (VGSI), a new landing aid, on both ends of old Runway 13-31. The system, now relocated to new Runway 13-31, provides pilots with improved height guidance and enables them to maintain the proper angle of descent on final approach to the runway.

Studies continued during the year on the feasibility of the closing of the ship channel between the airport and Rikers Island. This would permit extension of the approach light pier serving Runway 22 to 3,000 feet and would make it possible for the FAA to install an instrument landing system to serve the runway.

As part of these studies, model tests were conducted by the U. S. Army Engineer Waterways Experiment Station at Vicksburg, Mississippi to determine the effect of the channel

closing on tidal currents. The tests indicated that a substitute channel could be established without adverse effects on navigation. The approval of the Corps of Engineers must be obtained and necessary property rights must be acquired from the State and the City of New York before the project can proceed.

The perimeter dike which protects LaGuardia from the waters of Flushing Bay was rehabilitated during the year at a cost of about \$200,000. Steel beams and planking were installed in place of the previously used earth fill.

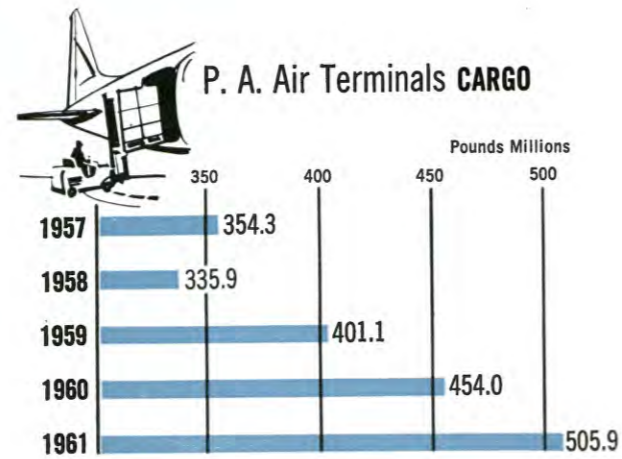
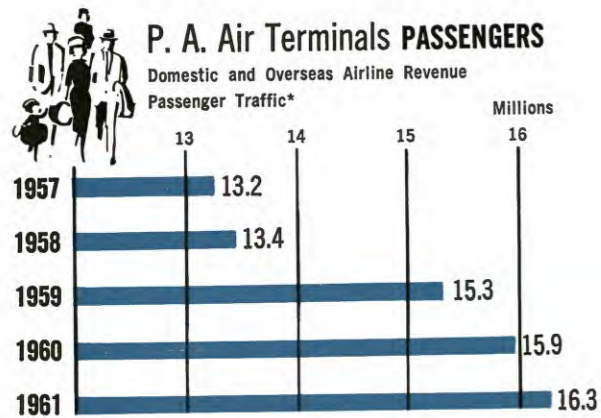
NEWARK AIRPORT

Newark Airport served 2,861,000 commercial air travelers in 1961, a decrease of 2.5 per cent from 1960. There were 168,000 aircraft movements, an increase of 3.0 per cent over the previous year. The 121,898,000 pounds of air cargo passing through the airport's Air Cargo Center represented an increase of 5,271,000 pounds over the record high of 1960. Air mail increased 13.2 per cent during 1961 to a new high of 23,910,000 pounds.

Port Authority investment in Newark Airport at the close of the year totaled \$39,628,000. The airport provided employment for 4,312 people with an estimated \$33,000,000 payroll.

Limited jet service was commenced at Newark Airport in September on short and medium haul flights. A Caravelle is shown on the aircraft parking ramp, with the 150-foot high control tower in the background.





INTRODUCTION OF LIMITED JET SERVICE

Short and medium haul jet service at Newark Airport commenced on a limited basis on September 11 when a United Air Lines Caravelle departed on a commercial flight to Chicago. Jet service was introduced to Newark Airport after permission to operate had been granted by the Port Authority subject to conditions prescribed by Governor Robert B. Meyner. The Governor approved jet service at the New Jersey airport after he had evaluated two independent aeronautical studies. These studies indicated that short and medium haul jet operations could be conducted at Newark Airport safely and at tolerable noise levels.

Scheduled jet service was expanded later in the year when American Airlines, and Trans World Airlines began operating jet flights to and from Newark. Eastern Air Lines also received permission to operate jet aircraft at Newark and began non-stop service to Miami and West Palm Beach early in 1962.

REDEVELOPMENT PLAN

During the year, the Port Authority proceeded with plans for the redevelopment of Newark Airport, which will increase the capacity of the airport by at least 50 per cent. The plan includes modification and extension of the existing instrument Runway 4-22 and the construction of a new "offset" parallel runway; a great new central passenger terminal two and a half times the size of the existing terminal; conversion of the existing terminal to an aircraft hangar, as contemplated in its original design; provision of additional aircraft hangars; cargo handling facilities; and a fuel storage area.

Early in 1962, the Port Authority will begin

test borings at the airport and will enter into detailed discussions with Federal, State, municipal and airline officials on the redevelopment plan.

OTHER IMPROVEMENTS

Parking facilities at Newark Airport were expanded 130 spaces to 2,048, and plans were approved for the expansion of Parking Lot 3 to add 408 spaces. Construction of a self-claim baggage facility in the West Arcade of the Passenger Terminal was completed in April. Work also began on the construction of 16 new aviation fuel storage tanks which, when completed in 1962, will double the fuel capacity at Newark Airport from 500,000 to 1,000,000 gallons.

The Overseas Diversion Facility at Newark Airport, which handles international flights diverted from New York International Airport when weather conditions do not permit landings there, was relocated in May from the Terminal Building to new facilities in Cargo Building 151.

High intensity lights for Runway 11-29 were purchased by the Port Authority at the close of the year for installation during 1962 under the Federal Aid to Airports Program.

TETERBORO AIRPORT

Teterboro Airport, the Port District's major airport for business and private flying, handled 204,000 take-offs and landings in 1961, a decline from the 218,576 movements recorded in 1960. Corporate aircraft movements decreased by 0.6 per cent, and instructional flying declined by 14,000 movements.

Total investment in Teterboro by the Port Authority amounted to \$10,595,000 by the end of the year. The 959 people employed at the airport earned an estimated \$6,000,000.

New approach lights were installed on Runway 6 by the Federal Aviation Agency in 1961. This included 26 sequence flashing lights at 100-foot intervals and a new threshold bar made up of 23 flush type lights.

A Flight Service Station operated by the FAA was opened to pilots at Teterboro Airport in November. The station provides weather briefings and en-route advisory service to general aviation pilots.

The future development of this airport was put in question by the decision of the Law Division, Superior Court of New Jersey in **Borough of Moonachie v. The Port of New York Authority, et al.** That court decided that a one-story industrial building constructed by the Port Authority and the land on which it stands, which is a necessary and integral part of the airport, are both fully subject to real estate taxation. In the opinion of that court, the manufacturing use to which the building is incidentally devoted is not such an air terminal use as would permit the continuation of tax exemption. Heretofore the Port Authority has held the municipality harmless by making annual payments in lieu of taxes and all property within the boundaries of the airport has been accorded exemption from taxation as property held and used for public purposes. Ultimate denial of tax exemption on this and similar structures at the airport, would, in the opinion of the Port Authority, preclude any hope that this airport can be operated on a self-sustaining basis. The decision is being appealed.

HELIPORTS

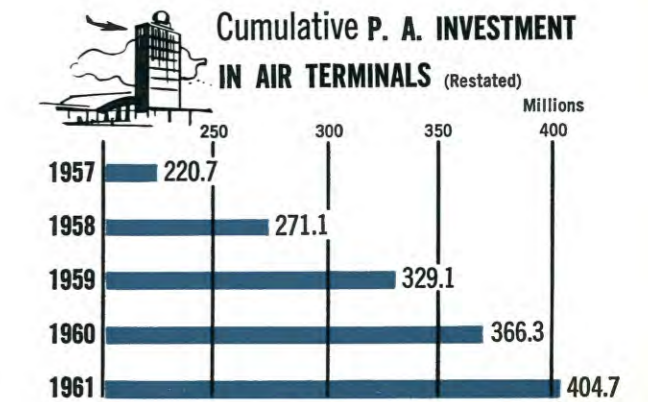
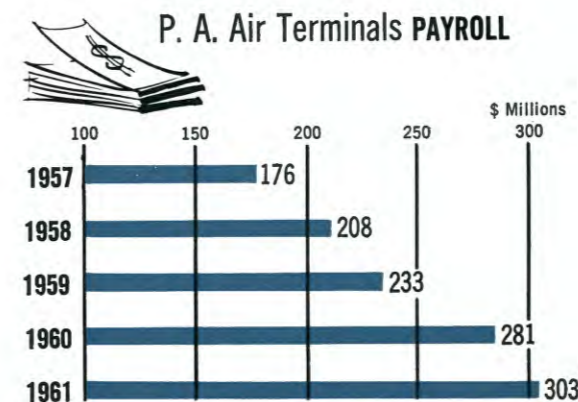
The Port Authority-West 30th Street Heliport, the first of two commercial heliports in Manhattan built by the Authority, served 3,800

helicopter take-offs and landings and handled 621,000 pounds of air mail in 1961. The original five-year lease with the City of New York for the operation and development of this heliport was renewed for an additional five years.

The Port Authority-Downtown Heliport handled 19,200 passengers on 12,400 helicopter movements. There were 35,000 pounds of air cargo handled.

Both the West 30th Street and the Downtown Heliports are operated by New York Airways under an agreement with the Port Authority.

Whether, and to what extent New York Airways, the only helicopter carrier rendering regular passenger mail and cargo service in the New Jersey-New York Port District and surrounding areas, will be able to continue to provide the quality and quantity of service needed to service the present and potential future helicopter traffic in this area is in question. The doubt is engendered by a proposed drastic cut by the Congress and the Civil Aeronautics Board in the amount of Federal subsidy funds to be granted to the carrier. At year end they had been forced to curtail all service at Teterboro Airport, the West 30th St. Heliport and suburban points and to restrict operations to movements between the airports and the Downtown Heliport. If future allocations of such funds tentatively proposed by the CAB are made final in the investigation now pending before that Board, the carrier advises that it will still be able to carry on service between the major Port District Airports but may not be able to provide much, if any, service to the Manhattan heliports.



World Trade Center-Hudson And Manhattan Railroad Project



Artist's concept of possible development of a World Trade Center-Hudson and Manhattan Railroad Terminal on the west side of Manhattan.

In September 1960, the Port Authority announced that, within the framework of financial limitations which would make it possible to continue marketing its bonds for all purposes authorized by the legislatures of the two States, it would study the feasibility of purchasing and rehabilitating the entire Hudson and Manhattan Railroad system, including the existing H&M Terminal facilities. Following a comprehensive study of all aspects of the H&M, the Port Authority indicated on January 27, 1961 that it was prepared to undertake the acquisition and modernization of the H&M Railroad following appropriate legislative authorization.

In March 1961, after a year's intensive study, the Port Authority reported to the Governors of New Jersey and New York, and to the Mayor of the City of New York, that a World Trade Center on the east side of lower Manhattan would be feasible, but found that it could be built successfully only by a public agency.

The World Trade Center and the Hudson and Manhattan Railroad are of great importance to the welfare and prosperity of the Port District. The World Trade Center would greatly enhance business and employment by stimulating the movement of cargo through the Port District. It also would bolster the Port's competitive position by making port operations more effective, efficient and economical.

The Hudson and Manhattan Railroad is a critical link in the Port District's transportation system. Although it carried over 31 million passengers in 1960, it is dangerously near a physical and financial breakdown, and prompt remedial measures are required if the service is to be preserved and improved. At the same time its usefulness and effectiveness, and the over-all strength of the New Jersey commuter railroads, would be greatly enhanced by improving the transfer facilities between the H&M and the New Jersey commuter railroads.

The State of New York in March 1961 adopted legislation authorizing the Port Authority to attempt to develop a World Trade Center as proposed. It combined this authorization with authority to purchase and to rehabilitate the Hudson and Manhattan Railroad. In order for this authorization to be effective, the State of New Jersey would have had to adopt identical combined legislation.

Public statements of government leaders in New Jersey indicated their support for the proposal to purchase and rehabilitate the Hudson and Manhattan Railroad, but that they preferred to consider separately the World Trade

Center proposal since they regarded it at that time as a separate project. As a result, no joint legislation was enacted in 1961 and decision on the two proposals remained unresolved through the year.

A SINGLE PROJECT

Late in 1961, the two proposals were revitalized by a plan to combine these two public undertakings into a single port development project which would promote the unity of the Port District and contribute to the welfare and prosperity of its people. The key to this proposal contemplates the removal of the Hudson and Manhattan terminal buildings at 30 and 50 Church Street; the transfer of the World Trade Center complex, previously proposed for a location on the east side of lower Manhattan to a site on the west side, maintaining the basic functional concept; and the construction, as part of the World Trade Center development, of completely new and modern H&M terminal facilities, including trackage realignment to increase allowable train speeds, platform expansion to increase train capacities, and completely new lobby and concourse facilities.

According to preliminary estimates, the total cost of the project would be about \$450,000,000. The World Trade Center must be a self-supporting operation, while it is estimated that the H&M and its extensions will develop annual deficits of from 7 to 10 million dollars.

ADVANTAGES OF THE COMBINED FACILITIES

The proposal for the combined project has a number of distinct advantages over the earlier separate proposals to develop the World Trade Center and Hudson and Manhattan Railroad as individual projects. In the first place, since the major part of the acquisition cost of the west side site is represented by the H&M Buildings, the World Trade Center property which would have been acquired over and above the H&M property would be considerably reduced under the new plans. Of great importance is the fact that the program will make possible the reconstruction of the H&M terminal and track layout to achieve improvements to correct the present antiquated layout which would have been impossible under the original plan.

Secondly, the joint project represents a marked improvement over the original World Trade Center proposal in terms of available transportation facilities including the H&M, and a unique concentration of subways, bus lines and vehicular access facilities.

Moreover, the west side consolidated plan through its single site and direct link to New Jersey dramatically signifies the bi-state interest in the effectuation of both portions of this important port development project.

THE WORLD TRADE CENTER

The World Trade Center would be an integrated facility of international trade, housing the offices of the many government and private agencies involved in the transportation of persons and property and in the administrative, governmental and marketing services, functions and activities connected to world commerce and port promotion and protection. The coordination in the Center of the various activities concerned with negotiating, financing, arranging for and clearing the movement of export-import cargo would make these operations more effective and economical.

The World Trade Center would simplify and expedite the processing of administrative and procedural matters, including the "paper work," for the movement of export and import cargo through the Port, resulting in savings in time and money as well as improved service. It would centralize and improve the trade information services now located in scattered areas of the Port, and provide a market place for United States products available for export through the Port. It would attract foreign buyers from around the world. Furthermore, it would provide an international market place for import products for United States buyers.

PRELIMINARY PLANS

According to preliminary plans, the combined facility would occupy a site, including the H&M Buildings at 30 and 50 Church Street, within the area bounded generally by Church Street on the east, Liberty Street on the south, the Hudson River on the west and Barclay and Vesey Streets on the north.

Preliminary studies contemplate a multi-level Concourse which would extend from Church Street to the Hudson River, extending over the West Side Drive. Rising from the Concourse would be a complex which would include a World Trade Mart, a World Commerce Exchange and other appropriate structures. The World Trade Mart would be designed for display and foreign trade activities. The World Commerce Exchange and the other structures would provide space for offices of the United States Customs Service and other federal, state, local and foreign governmental agencies, customs brokers, freight forwarders, commercial transportation agencies, international banks, finance agencies and insurance firms.

THE HUDSON AND MANHATTAN RAILROAD

The H&M proposal envisions an extensive capital improvement program designed to bring the bankrupt H&M to proper standards of efficient and reliable service including the following major components:

1. Acquisition of the H&M properties at an estimated cost of \$20,500,000.
2. General rehabilitation of the H&M which would include new signal and power distribution systems, rehabilitation of passenger stations, extensive track maintenance work and improvements to and provision of additional car storage yards and maintenance shops.
3. A complete replacement of the present fleet of old cars operated by the H&M, and the provision of new cars for additional service that would be provided to handle the Jersey Central and Erie-Lackawanna ferry passengers.

The proposal to combine the Port Authority's purchase of the H&M with a World Trade Center development in the area, which includes the present location of the Hudson Terminal Buildings, will permit a plan to effectuate considerable improvement and expansion of the track and platform layouts at Hudson Terminal as well as the complete modernization of Hudson Terminal itself.

H&M—JOURNAL SQUARE TRANSPORTATION CENTER

Preliminary review of the possibilities of developing a new H&M station in Journal Square indicated that a transportation center could be developed at that location, which would include not only a new H&M station but also a bus station, parking garage, and possibly the development of the air rights over the railroad property in the area between Hudson Boulevard and Summit Avenue to the east of Hudson Boulevard.

The new bus station could be constructed to replace an existing bus terminal at Journal Square as well as the many bus loading and unloading platforms at the Journal Square bridge plaza. This new bus station would greatly relieve traffic congestion through the Journal Square area caused by the more than 1,200 buses presently utilizing the streets each day in this area.

STATE PLANS FOR RAIL CONSOLIDATIONS

The State of New Jersey's Division of Rail Transportation has proposed a series of consolidations of various rail services designed both to improve service for rail commuters and to afford savings to the railroads. Most of these

plans are dependent upon the provision of increased capacity and new rolling stock on the H&M and Pennsylvania Railroad Joint Service. One of the most important of these would be the re-routing of the main line trains of the Jersey Central Railroad into Penn Station, Newark, via a connection with the Lehigh Valley Railroad at Aldene, east of Cranford. All Jersey Central passengers would come into Penn Station, Newark, where a convenient transfer could be made to the H&M or the Pennsylvania main line to New York.

TRANSFER STATIONS AND EXTENSIONS OF H&M

To make similar service available to all other New Jersey commuter railroad passengers, the State Division of Rail Transportation and the Port Authority propose the construction of new transfer stations between all branches of the Erie-Lackawanna Railroad and the H&M or future H&M extensions. This plan for transfer facilities would involve the ultimate provision of interchanges not only with the H&M, but also with the Pennsylvania Railroad.

Construction of these transfer stations would make it possible to implement plans of the New Jersey Division of Rail Transportation to eliminate duplicate rail routings, effecting savings to the railroads through various consolidations and eliminations without sacrificing service.

Although much more careful analysis of results will be necessary before any precise costs can be developed, on the basis of preliminary estimates it is believed that this program would increase the annual deficit originally estimated at \$5,000,000 to an amount between \$7,000,000 and \$10,000,000.

FINANCIAL ASSURANCES

The proposal to assume responsibility for Hudson Tubes deficits constituted a marked departure from the policy of the two States to authorize the Port Authority to undertake only such facilities as were capable of eventual self-support. The inevitable deficits from the Hudson Tubes facility can be met only from the pooled revenues and reserves derived from the self-supporting facilities of the Port Authority. These revenues and reserves have all been pledged to the holders of outstanding bonds the proceeds of which have financed the public facilities now operated by the Port Authority.

The undertaking of any additional public facilities by the Port Authority requires the ability to pledge these revenues and reserves for the

new bonds which may be issued to effectuate such additional facilities. The Port Authority could not propose to dilute these revenues and reserves by the Hudson Tubes deficits and preserve its credit unless bondholders, present and prospective, could be assured that the dilution would be maintained within manageable proportions.

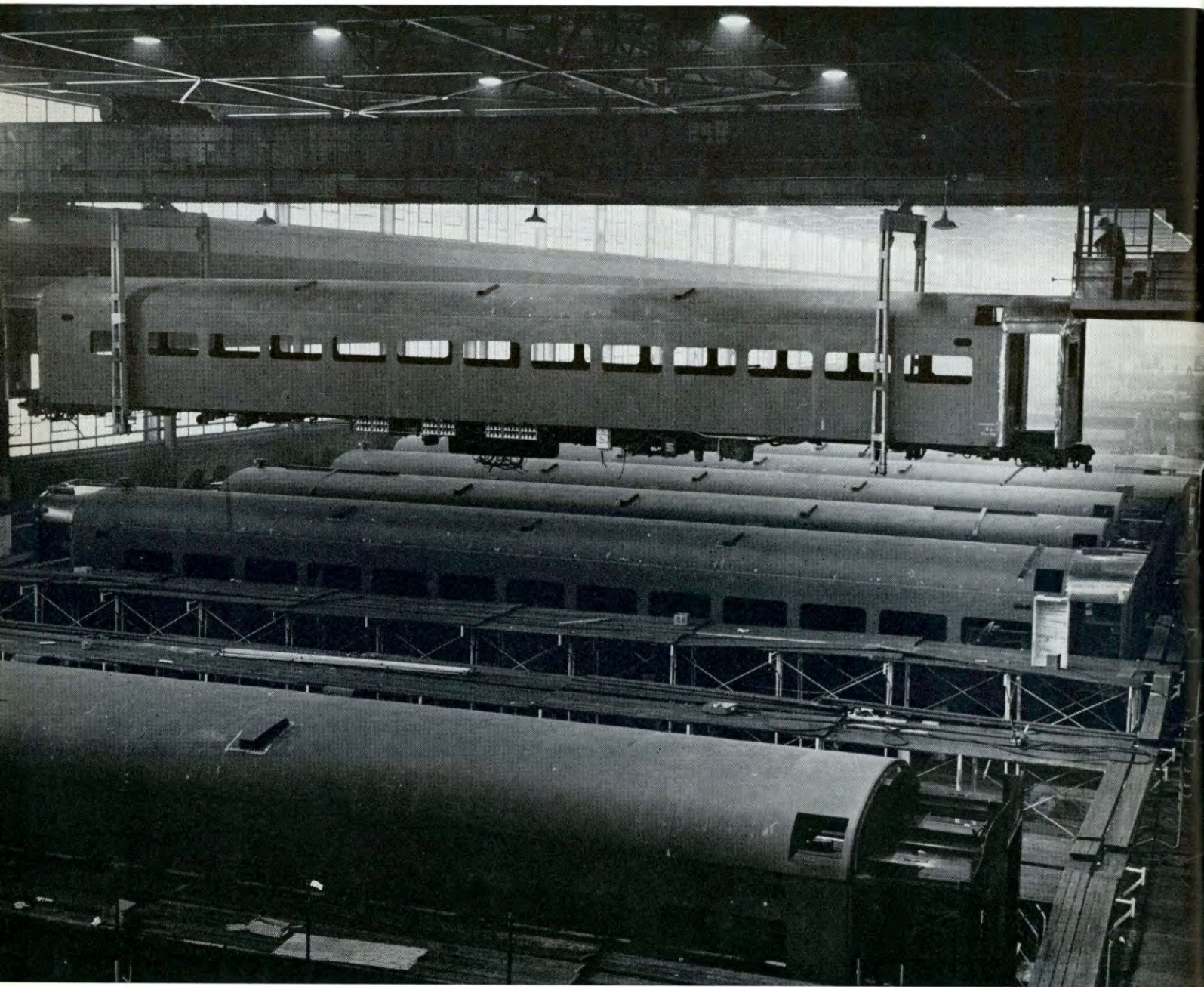
After careful consideration the Board was of the opinion that the deficits anticipated for the basic Hudson Tubes system would be within the limits which prospective investors would accept without a downward revaluation of the Port Authority's credit. On the other hand the possibility of unlimited Port Authority responsibility for all Port District commuter railroad deficits far exceeded such limits.

During 1961 various proposals were discussed with representatives of the two Governors and the legislative leaders of the two States and the Port Authority to agree on minimum financial assurances which might be included in any authorizing legislation so as to preserve the Port Authority's ability, with unimpaired credit, to continue to discharge its responsibilities to the people of the two States.

As the year ended, agreement was crystallizing on a formula which would limit the ability of the Port Authority to pledge or apply any of its revenues or reserves already pledged to bondholders for new bonds to finance an additional railroad facility beyond the basic Hudson Tubes system, unless the additional facility could be certified by the Port Authority Commissioners to be self-supporting or else to involve permitted deficits within certain specified limits. Generally, the limit was an amount which, when added to the deficits on prior Port Authority passenger railroad facilities, including the Hudson Tubes, would produce a total not exceeding 10 per cent of the amount in the General Reserve Fund with certain adjustments. Agreement was crystallizing also that such financial assurances would take the form of a bi-state statutory covenant which would not be subject to impairment by either the Port Authority or the States.

With agreement approaching at the end of the year on the form and content of the financial assurances, the site of the World Trade Center, and the extent of authorized Hudson Tubes extensions, there was a good prospect for early bi-state agreement on the necessary legislation to effectuate the unified World Trade Center-Hudson Tubes project.*

*On February 13, 1962, the New Jersey Legislature unanimously passed, and Governor Hughes signed, legislation authorizing the Port Authority, upon concurrence by New York, to go forward with the combined Hudson Tubes-World Trade Center project. This statute included covenants with bondholders along the lines described in the text. Identical legislation was finally adopted by the New York Legislature on March 7, 1962. It will require Governor Rockefeller's signature to become law.



The assembly line of the Pullman-Standard Company, showing commuter railroad cars being manufactured under the Railroad Equipment Program administered by the Port Authority for the State of New York.

Railroad Equipment Program

Events of both immediate and long-range significance marked the course in 1961 of the Railroad Equipment Program administered by the Port Authority for the State of New York. In May, the program's first contract for the construction of commuter cars was awarded. In November the people of the State approved by referendum an amendment to the Constitution of the State of New York under which the Legislature was authorized to provide a State guarantee of the principal of and interest on \$100,000,000 of special Port Authority bonds which could be sold to finance commuter car purchases for lease and to repay the State of New York any advances made to the Port Authority in connection with the purchase of such cars.

The Railroad Equipment Program was created by the State of New York in 1959 to provide public financial assistance in the purchase of critically needed new cars for lease to three commuter railroads; namely, the New York Central, the Long Island, and the New Haven. The Legislature then began action leading to a constitutional amendment to permit the car purchases to be financed by the sale of special State-guaranteed Port Authority bonds.

To meet an immediate need, however, New York State made available to the Port Authority \$20,000,000 to finance the first stage of the equipment program. The Port Authority's role as program administrator is based on concurrent legislation enacted by both the States of New York and New Jersey under which either State could act alone to make the Port Authority administrator of its particular program.

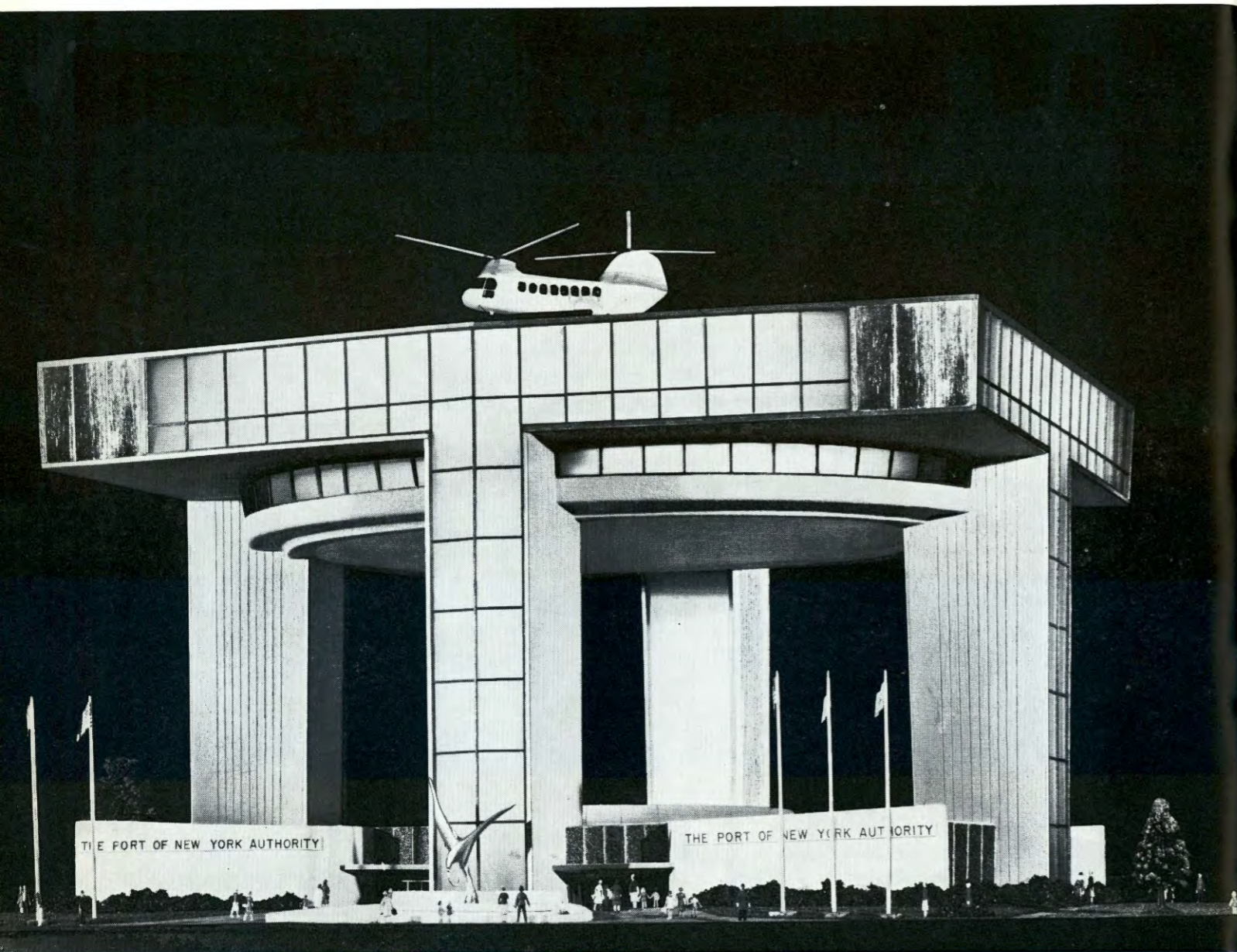
CONSTRUCTION CONTRACT AWARDED

In the program's first stage, a participating railroad is expected to obtain through its own resources funds to augment those which the State would advance for the purchase of new cars. Arrangements of this type were concluded with the New York Central during 1961 and led to the award of a car construction contract to Pullman-Standard, Inc., the low bidder.

The contract calls for provision of 53 cars at an approximate total cost of \$8,165,000. Of the 53 cars, 27 will be purchased by the Port Authority with State funds and leased to the New York Central for a long term, the rentals being sufficient to repay the State funds advanced plus interest. The remaining 26 cars will be purchased with funds supplied by Dispatch Shops, Inc., a subsidiary of the New York Central, acting as an investor in the program. The First National City Bank of New York is serving as Trustee to administer the formal arrangements among the various parties.

Delivery of the Central's new cars will begin in March and will be completed in six months. The new cars will have a seating capacity of about 7,000 passengers and will provide a more comfortable ride for the commuter than does existing equipment. Their improved design should reduce the railroad's operating costs.

It was hoped that similar arrangements could be concluded during 1961 with the other eligible railroads. The entrance of the New Haven into bankruptcy and the continuing financial difficulties of the Long Island were principal obstacles to this goal.



Transportation Section— World's Fair

In mid-1960, The Port of New York Authority was invited by the New York World's Fair Corporation through its President, Robert Moses, to act as agent for the Corporation in the development and management of the Transportation Section of the 1964-1965 World's Fair.

The 1964-1965 World's Fair will occupy the same site as the 1939-1940 Fair in Flushing Meadow Park, near LaGuardia Airport, almost the geographical center of greater New York City. The Transportation Section is located in the southwest portion of the fair grounds adjacent to Grand Central Parkway. It comprises a total of 80 acres, of which approximately 50 acres are available for rental to exhibitors. The remaining area will be used for walkways and bus and taxi terminal facilities.

To open on April 22, 1964, the Fair will run for six months, will close on October 18, 1964 and reopen April 21, 1965. Following its final closing October 17, 1965, the fair grounds will be restored to a park.

AUTHORITY PERFORMS DUAL FUNCTION

As the agent of the New York World's Fair Corporation, we are charged with responsibility on an all-expense-recoverable basis, for the planning, leasing and operating of the Transportation Section of the Fair comprising approximately 24% of the Fair's over-all rentable land area. The Port Authority is responsible for the development of two bus and taxi terminals which will service the entire Fair, a chartered bus parking area, four of the principal entrances and all promenades within the Transportation Section.

The Port Authority, as a part of its responsibility for trade development in the Port District, will provide and operate a New Jersey-New York Port exhibit to dramatize the facilities and services available in this, the world's greatest port.

PORT AUTHORITY BUILDING

The Port Authority Building, air gateway to the Fair, will feature a roof-top heliport 200 feet long and 150 feet wide. The structure, to be located directly between two primary ground-level entrances and on the main axis of the

Fair, will rise 120 feet above the ground-floor Port of New York exhibit on four mammoth columns to form a gigantic, symbolic "T" for Transportation as viewed from each of its four sides. Its height will be second only to that of the 135-foot Unisphere, the main theme exhibit of the Fair. Immediately below the heliport, there will be restaurant facilities which will command a spectacular view of the entire World's Fair. An observation deck will be provided just below the restaurant.

INDUSTRY EXHIBITS PLANNED

Three major exhibit areas in the Transportation Section have been leased. Two of them, leased by the General Motors Corporation and the Ford Motor Company, are about seven acres each and are the largest individual sites in the entire fair.

A third site, covering about three acres, has been leased by Chrysler Corporation. Construction of the exhibits is scheduled to start in the spring of 1962.

Negotiations are also under way with other organizations which have reserved space for exhibit sites in the Transportation Section. There include the U S. Rubber Company, the Greyhound Corporation, Pan American World Airways, National Trailways Bus System, Air France, BOAC, American Motors, Mobile Homes Manufacturer's Association and several groups among the aerospace industries.

Negotiations are also being conducted with private financial interests for the erection of two major multi-occupancy exhibits. The Travel and Transportation Pavilion will be for exhibits of a general transportation nature. The group sponsoring this building is headed by the Thatcher Construction Company; the building was designed by Charles Luckman Associates. The second exhibit will be developed for the small boat industry and will be built on an artificial lake created to display marine products to their best advantage.

Out of a total of about 2,135,600 square feet available in the Transportation Section, approximately 1,250,000 square feet of exhibit space were committed by the end of 1961.



Port Development

The Port of New York offers services and facilities unmatched by any other port in the United States. As part of its responsibility under the Compact of 1921, the Port Authority conducts a vigorous program of creating new facilities and improving existing terminals to serve the commerce of the Port District. But provision of physical improvements alone does not guarantee the economic health of the Port area. Equally important is the promotion of the use of these facilities to shippers, in competition with other American ports.

"Selling" the Port has become an increasingly difficult and complex task. Although the Port's activities have increased in many ways, the total oceanborne cargo handled during 1960 was 3 per cent below the 1959 level. In 1960, the New York-New Jersey Port handled 41.2 million tons of cargo, 15.1 per cent of the total United States oceanborne cargo.

Traditionally, New York's strength has been based on the handling of general cargo. In 1960, this trade increased to 13.7 million tons, a gain of 4.9 per cent over 1959. The Port's competitive position, however, dropped to 23.2 per cent of the national total as compared with 24.7 per cent during the previous year. Thus, its trade growth did not keep pace with the general level of national expansion in handling general cargo trade.

This declining trend continued in the first six months of 1961 when the Port's share of the national general cargo volume totaled 21.7 per cent, as compared with 23.7 per cent in the comparable period in 1960.

Since 1952, competing ports have expanded their trade development and promotion programs on a vast scale. Numerous ports have established permanent trade solicitation offices in major cargo-generating centers both in the United States and overseas; trade missions from other port cities have contacted major shippers throughout the world; and competitor ports have engaged in extensive advertising and other promotional activities to bring their facilities to the attention of foreign shippers. Despite the fact that the deepened St. Lawrence Seaway has not lived up to the expectations of its proponents, it has diverted cargoes from the Port of New York.

ACTIVITIES OF TRADE DEVELOPMENT OFFICES OVERSEAS

During 1961, the Port Authority's four overseas trade development offices expanded their efforts to encourage use of the New York-New Jersey Port. Extensive solicitation trips and numerous contacts in search of new cargo for the Port were made.

Our London Office, serving a territory including Great Britain, Ireland, Spain, Portugal, and Scandinavia, served shippers, forwarders, manufacturers and traffic managers, providing technical aid and information on shipping through the Port of New York. This office is a primary source of up-to-date information on containerization—for which the Port of New York is proving an increasing number of modern, efficient facilities.

The Continental Office in Zurich carried out extensive trade development work in West Germany, France, Italy, Belgium, Switzerland, Austria and the Netherlands. In addition, it solicited cargo from points in Eastern Europe, and particularly from Yugoslavia.

Covering South America, the Port Authority's third overseas office located in Rio de Janeiro maintained its high level of activity during 1961. Servicing Brazil, Paraguay & Uruguay, Bolivia, Chile, Argentina and Peru, this office worked closely with representatives of American firms operating in or establishing manufacturing sites in South America.

The San Juan, Puerto Rico Office serving Central America, Ecuador, Colombia, The Guianas, Venezuela, Mexico, and the West Indies continued to promote the bi-state Port in areas which are expected to generate large amounts of future import-export cargo.

DOMESTIC

The Port Authority's five domestic offices also continued their broad program of trade solicitation. These offices, located in New York, Pittsburgh, Cleveland, Chicago and Washington, cover all or parts of 31 states, the District of Columbia, and the provinces of Quebec and Ontario, the principal areas of commercial foreign trade in the Nation.

Individual calls on shippers, receivers, forwarders, traffic managers, etc., totalled nearly 12,000, with mileage traveled totaling 125,000 miles. Trade development efforts were also extended to include southern tier states as well as the West Coast.

PORT PROMOTION

During 1961, the Port Authority's port promotion program included the production and distribution of port literature, visual aids, exhibits, motion pictures, a monthly magazine, and international press announcements.

The staff produced a new motion picture, "Sixty-seven South," which depicts typical movements of cargo and the "paper work" which must parallel it through successive steps from the point of origin to its departure from the Port. In the first three weeks alone the film was booked for 184 showings before an audience of over 7,500 persons.

The prize-winning port promotion film, "The Fabulous Decade," continued its wide distribution. Since its release in October 1960 it has been viewed by 450,000 people. This film, available in English, French, German, Spanish, Italian, Portuguese, and Japanese, depicts the growth and use of terminal and transportation facilities in the New York-New Jersey Port during the last ten years.

Our monthly magazine, "Via Port of New York," continued to enjoy a wide appeal with a monthly circulation of over 22,500 in the United States and overseas.



Thousands of exporters, importers, and others concerned with international trade viewed the Port of New York exhibit at the Fifth Annual World Trade Fair held at the New York Coliseum in the Spring of 1961.

MAJOR PLANNING PROJECTS

During the past year, the Port Authority initiated or continued earlier studies of a number of public projects in the field of transportation and terminals development which are of major

importance to the Port District. A significant aspect of this planning work was the study and analysis devoted to progressing of the World Trade Center-Hudson and Manhattan proposal which included plans for improved accessibility between the New Jersey commuter railroads and the improved H&M system. This project is described elsewhere in this report.

RAILROAD PLANNING

In 1961, the Port Development Department's Planning Division contributed major staff work to a study of the possibility of consolidating the marine operations of the railroads in the Port which was undertaken with the Port District railroads and under the auspices of the Tri-State Transportation Committee. In brief, the study report outlined the operational feasibility of consolidating railroad marine operations in the Port and recommended that each railroad determine the financial feasibility of such an operation. The study indicated that it might be possible for the railroads to achieve substantial annual savings if the marine operations were consolidated under the direction of an agency jointly owned by the participating carriers.

HIGHWAY PLANNING

In cooperation with the New Jersey State Highway Department, New York State Department of Public Works and other highway agencies, Port Authority planners worked on the development of new and improved approaches to the Outerbridge Crossing and the Goethals and Bayonne Bridges in anticipation of the

TOTAL U.S. GENERAL CARGO
Imports and Exports (long tons)
30,041,428
(first 6 months—1961)

New Jersey-New York
PORT'S SHARE
of General Cargo
Imports and Exports
(long tons)
6,508,322

opening of the Verrazano-Narrows Bridge in 1965. These efforts have been concentrated on developing improved direct connections for through traffic, adequate systems of local traffic service to and from the bridges and expansion of the bridge approach areas to accommodate increased traffic flow.

Also during the year, the Port Authority worked closely with the New Jersey State Highway Department and the New Jersey Turnpike Authority on several other major highway projects including plans for new highway connections to an expanded Newark Airport and proposed improvements between N.J. Route 3, the New Jersey Turnpike and the Lincoln Tunnel approaches in the Secaucus-North Bergen area.

In 1961, extensive work in cooperation with the New York State Department of Public Works was undertaken in the planning of highway approaches between the proposed Nassau Expressway and New York International Airport.

MARINE PLANNING

A study entitled "A Survey of Industrial and Specialized Facilities," which examines facilities in the Port of New York accommodating deep sea vessels carrying bulk and specialized cargoes, was completed. This report was designed to provide information on and descriptions of these facilities as an aid to marine planning and operating programs.

Throughout the year, the Port Authority continued its activity to encourage the maintenance of waterways and improvement of channels. For the 1961-62 fiscal year the Federal Government appropriated funds for a number of projects in the New York Harbor which will make possible improved operations and facilities. The most significant parts of the program were appropriations of \$500,000 for the South Channel (New York Harbor entrance) and \$250,000 for the Hackensack River Turning Basin. The South Channel project will provide New York Harbor with a new 35-foot deep entrance channel from the ocean to Raritan Bay and will eliminate a hazardous intersection between oceangoing and scow traffic. The Hackensack River Turning Basin will permit oceangoing vessels to turn around in the Channel after discharging cargo, thus eliminating present restrictions on the size of vessels which can be used in the river and permitting more efficient marine operations in this part of the harbor.

SURVEYS

During the year the Port Authority cooperated with several other public agencies and the two states in conducting a journey-to-work survey of employees working in Manhattan between Chambers St. and 59th St. This survey is designed to provide detailed, up-to-date information concerning the routing, costs, times, modes of transportation and various other facts concerning commuting to and from places of work in the Manhattan Central Business District.

The Third Annual Report on Origins and Destinations of Trans-Hudson Vehicular Traffic was made public in 1961. It compared 1959 and 1960 travel patterns using data compiled by the continuous sampling program which was started in 1958.

TRI-STATE TRANSPORTATION COMMITTEE FORMED

On August 30, Governor Meyner of New Jersey, Governor Rockefeller of New York and Governor Dempsey of Connecticut announced the organization of a Tri-State Transportation Committee. The Committee was created "to conduct a broad-scale examination and make recommendations for meeting the region's immediate and long-term needs," on the basis that "the three states have a vital concern for finding a solution to the critical transportation problems facing the region."

Shortly thereafter, at the request of the three Governors, Roger H. Gilman, Director of Port Development, was loaned by the Port Authority for full-time service as Executive Director of the Committee. The Committee's work includes analysis of financial resources to support a coordinated transportation system, study of railroad and highway passenger transportation, analysis of freight movements and airport needs, forecasting the impact of proposed transportation planning on land use, evaluation of methods for improving mass transit and study of methods to insure continuing inter-governmental cooperation on the region's transportation matters.

The Committee now has its own central staff organization and is financed largely by Federal and State funds. Various public and private agencies, including the Port Authority, will continue to cooperate with the Committee and provide, wherever necessary, appropriate staff work on the numerous phases of the over-all study.

Protecting The Competitive Position Of The Port

As one of its primary responsibilities under the Compact of 1921, the Port Authority endeavors to protect the trade and commerce moving through the Port from discriminatory rates and practices.

When appropriate, the Port Authority makes direct contact with the rate-making organizations for land and sea carriers to encourage them to adopt practices and rates which will keep the port competitive with other ports. In addition, the Port Authority exercises the authority given it under the Port Compact to intervene in any proceeding before the Interstate Commerce Commission or other regulatory agency which may be required to consider the matter in opposition to any proposed practices or rates which appear to place the Port of New York at a competitive disadvantage in relation to other ports.

EFFORTS CONTINUE TO "SPLIT" THE PORT

During 1961, the Port Authority intervened in a number of ICC cases where the rate unity of the Port of New York was threatened by reason of the carrier rate proposals under review. In one case, a railroad published higher rates on fruits and vegetables to points in the Port District east of the Hudson River than to points in New Jersey on the west side of the River. We maintained that such rates were unjust and unreasonable to receivers in New York. Even more important, the approval of such rates would have divided the Port into two rate groups rather than recognizing the port as a geographic and economic entity. In his report in the case, the ICC Examiner stated that uniform rates should be maintained within the Port. This reaffirmed the findings of the ICC in the New York Harbor case in 1917. Exceptions to the report were filed and the Commission now has this case under consideration.

In a similar case, various railroads published reduced rates on melons destined for the port which reflected a differential between delivery at New York pier stations and other stations within the Port District. Once again the Port Authority filed a petition with the ICC requesting suspension and investigation of these reduced rates. The ICC did not suspend the rates,

but it is investigating them. Shortly thereafter, the railroads agreed that rather than proceed with the hearings, they would be bound by the Commission's decision in the aforementioned "Fresh Fruits and Vegetables" case.

Efforts have also been made by the railroads to "split" the rate unity of the port in the shipment of frozen fruits and juices from Florida to the North. The ICC Examiner in this case found the proposed rates to be just and reasonable, but recommended that the rates applicable to Manhattan should be 18 cents per 100 pounds higher. The Port Authority immediately intervened in this case, taking exception to the Examiner's recommendation which again contradicted previous ICC findings. In these prior decisions, the port has been considered as an area which should enjoy equality of rates to all points within it. This proceeding also is pending.

The railroads have taken a similar tack with regard to the shipment of citrus fruits on trailer-on-flat-car traffic from various Florida origins to the New York - New Jersey Port. Rates were established at a higher level for delivery to stations east of the Hudson River and certain New Jersey stations than to the Borough of Richmond, Jersey City, Newark and Waverly, New Jersey. Since the published rates again involved a "splitting" of the Port, the Port Authority filed a protest requesting investigation and suspension of the rates. The ICC declined to suspend the rates but assigned the matter for investigation and the case is pending.

INTERVENTION IN RAILROAD MERGER CASES

The increasing numbers of railroad merger proposals which began in 1960 continued during this year. These proposals involved both competing and non-competing railroads serving the Midwestern area of the nation and the seaports along the North Atlantic coast. Through this device, the railroads involved hope to obtain benefits which could result from consolidation of routes, equipment, facilities and capital, thus improving the economic climate of their operations. Any such mergers of railroads, however, are subject to prior approval of the ICC.

The Port Authority interest in merger proposals centers on those which, if consummated,

might affect the trade and commerce of the New Jersey-New York Port District. During 1961, the Commissioners authorized preliminary intervention as our interest might appear in any rail merger proceeding before the ICC involving one or more railroads serving North Atlantic Ports. The authorization required that there be a subsequent final determination by the Port Authority as to the position to be taken by it when all the details of the merger proposal under consideration had been developed.

During the year, the New York Central Railroad filed an application with the Interstate Commerce Commission for authority to acquire control of the Baltimore & Ohio and indirect control of carriers already controlled by the Baltimore and Ohio through stock ownership. When the scope of the proposed merger was defined, the Port Authority intervened in the proceeding to protect the Port of New York from being placed at the disadvantage it believed would result if the New York Central was not merged with the Baltimore & Ohio and the Chesapeake & Ohio. Briefs were originally due on December 15, 1961. In the meantime, however, announcements were made of a proposed New York Central - Pennsylvania Railroad merger. The Port Authority requested a postponement of the scheduled hearings and asked the ICC to learn from the New York Central what its position would be in view of this new development.

In another important proceeding, the Pennsylvania Railroad filed an application with the Interstate Commerce Commission for authority to acquire control of the Lehigh Valley Railroad through stock purchases. The Port Authority intervened and urged the ICC to impose conditions to assure the maintenance of present routes and services on traffic moving to and from the Port of New York via the Lehigh Valley. The Examiner issued his report in July 1961, recommending maintenance of present routes and services as requested by the Port Authority. Final disposition of this proceeding is now pending before the ICC.

Also during the year, the Norfolk and Western and Nickel Plate filed applications with the Interstate Commerce Commission to merge with and acquire control of the Wabash Railroad and

purchase the Sandusky Branch of the Pennsylvania Railroad. Subsequently, the Erie-Lackawanna Railroad petitioned the ICC requesting that they be permitted to intervene in the proceeding and be included in this merger. The Port Authority intervened to assure that present rates, routes and services would be maintained to and from the Port of New York.

During the hearings, it appeared that by reason of discussions which are held between the Norfolk and Western and Erie-Lackawanna, the Erie-Lackawanna agreed to withdraw from the proceeding upon assurance that a serious study would, at a later date, be made by the merged Norfolk and Western-Nickel Plate-Wabash of the possibility of an affiliation or merger between the new system and the Erie-Lackawanna. The Port Authority has taken the position that this agreement does not assure inclusion of the Erie-Lackawanna in the proposed merger and will request the ICC to delay final action on the merger application until the new study as to the Erie-Lackawanna is completed. This position is premised on the fact that the inclusion of the Erie-Lackawanna service is essential if the Port is to continue to have adequate rail service. Further hearings in this proceeding are scheduled for January, 1962.

OTHER SIGNIFICANT CASES

The Port Authority intervened in a case before the Federal Maritime Commission to support the regulation and licensing of foreign freight forwarders and their right to steamship brokerage payments. It also stressed that agreements among steamship lines not to pay brokerage or to limit such payments are in violation of the Shipping Act of 1916 as amended.

During the year, the Port Authority also took part in the proceedings concerning reduced rail rates from Texas to the East on synthetic plastics. As recommended by us, the ICC established rail rates 5 per cent higher than coastwise water rates in order to permit water carriers to participate in this traffic. This decision will aid in maintaining the existing water carrier services to and from the Port of New York. In another case involving the maintenance of coastal shipping service, the ICC Ex-

aminer found that the railroads involved should join with a coastwise carrier in establishing rail-water-rail commodity rates not more than 5 per cent less than the corresponding all-rail rates.

Following other Port Authority interventions, unloading charges which would have been imposed on the Port of New York by various motor carriers and proposed provisions for reducing railroad "freetime" at the Port of New York were cancelled. The elimination of these proposed changes was to prevent discrimination against the Port of New York and deterioration of the services, rates and facilities it has to offer.

AIR COMMERCE

During the year, the Port Authority also participated in a number of proceedings before the Civil Aeronautics Board, in order to promote and protect the Port District's air commerce.

A major CAB proceeding of concern to the Port of New York is the New York-Florida Renewal Case (Docket No. 12285) involving service between the Port District and Florida points. The primary issue is the continued need for a third nonstop airline service between New York/Newark and the Miami area. The Port Authority is supporting continued authorization of a third carrier in this market.

The number of air passengers moving between the Port District and the Miami area is greater than any other single air passenger market in the world. There is a heavy flow of traffic during the winter tourist season which creates a peak demand on the capacity of airlines providing service. In order to insure that this peak demand is satisfied, continued service by a third airline is essential.

Hearings are scheduled for January, 1962, and final CAB decision is expected in late 1962.

In addition to the cases outlined on preceding pages, the Port Authority has also participated in the following proceedings in order to promote and protect the land, sea and air commerce of the New York-New Jersey Port.

MARINE, RAIL AND MOTOR CARRIER PROCEEDINGS

DOCKET	SUBJECT	STATUS
FMB 765	Investigation of practices and brokerage of foreign freight forwarders.	*Legislation adopted by Congress requiring licensing of forwarders and permitting ocean brokerage payments contingent upon performance of specified services.
FMB 831	Payment of brokerage by steamship companies to foreign freight forwarders.	Reopened upon conclusion of FMB Docket 765 to determine lawfulness of agreements by steamship lines prohibiting or restricting payment of ocean brokerage to foreign freight forwarders. FMC decision pending.
ICC I&S 6074	Equalized railroad iron ore rates from North Atlantic ports to Central Freight Areas points.	ICC found equalized New York rates to be unjust and unreasonable, but upheld rate equally between Baltimore and Philadelphia. Complaints filed before separate U. S. District Courts on both decisions.
ICC I&S 7344	Combination rail-water-rail rates on plastics, Texas to East.	*ICC Division 2 found reduced railroad rates to be unjust and unreasonable, and required same to be generally 5% higher than comparable coastwise steamship rates. Petition for reconsideration subsequently filed by railroads and now pending ICC action.
FMB 816	Investigation of general practices of Atlantic and Gulf port terminal operators.	No further hearing dates set by FMC.
FMB 877	Notice of proposed rule requiring filing of ocean freight rates in U. S. foreign trade.	*Legislation adopted requiring filing of ocean rate tariffs with FMC and their distribution to interested persons.
FMB 906	Agreements, charges, commissions and practices of North Atlantic Westbound Freight Association.	No hearing dates set as yet by FMC.
ICC 33234	Transcontinental railroad rates on canned goods.	Recommended report of ICC Examiner found reduced railroad rates to be lawful and not for purposes of eliminating inter-coastal steamship competition. Briefs and oral arguments subsequently presented before full Commission. Decision pending.
ICC 33479	Combination rail-water-rail commodity rates in connection with coastwise movements.	*Recommended report of ICC Examiner requires railroads to establish joint commodity rates with coastwise steamship lines not more than 5% below corresponding all-rail rates. Exceptions subsequently filed. ICC decision pending.
ICC I&S M-14010	Motor carrier pier unloading charges at North Atlantic ports.	ICC discontinued proceeding following publication of pier pickup and delivery charges at New York in lieu of proposed loading and unloading charges.
ICC Ex Parte 223	Increased railroad freight rates and reduced free time.	*Reduction in export free time from 7 to 5 days on general cargo and from 15 to 5 days on bulk gain cancelled by railroads.

DOCKET	SUBJECT	STATUS
ICC Fin. 21160 21238	NYC System application for inclusion in proposed B&O-C&O railroad systems merger.	ICC hearings held in 1961. Briefs postponed to January 1962 pending clarification of subsequent proposed NYC-PRR systems merger.
ICC Fin. 21459	Pennsylvania Railroad control of Lehigh Valley Railroad.	*ICC Examiner recommended approval of control of Lehigh Valley Railroad by Pennsylvania Railroad through stock purchase contingent upon maintenance of existing routes and services of former to New York.
ICC Fin. 21510 21514	N&W-Nickel Plate-Wabash Railroad systems proposed merger.	ICC hearings held in 1961. Further hearings scheduled in January 1962.
ICC MC-C-3437	Regulation of motor carriage incidental to air transportation.	ICC petitioned by motor carrier groups to establish exempt zone or motor carriage incidental to air transportation smaller than proposed by CAB. Proceeding pending before ICC.
ICC 33105	Port "splitting" railroad rates on fruits and vegetables to points in the Port of New York.	*Report of ICC Examiner found rates to New York higher than those to New Jersey unreasonable and preferential. Request for oral argument before full Commission by railroads denied.
ICC 33899	Port "splitting" railroad rates on melons to points in the Port of New York.	Under investigation by ICC. Hearings suspended upon agreement by railroads to be bound by decision in ICC 33105.
ICC 33293	Port "splitting" coastwise steamship rates on frozen juice and fruits to points in the Port of New York.	Exception filed to report of ICC Examiner recommending application of "plus charge" for deliveries to Manhattan by Sea-Land Service, Inc. ICC decision pending.
ICC 33927 33951	Port "splitting" trailer-on-flat-car rates on citrus fruit to points in the Port of New York.	Under investigation by ICC. Hearings scheduled in early 1962.
ICC Ex Parte MC-37, M-C-2	Establishment of unrestricted motor carrier exempt zone at Port Newark and Elizabeth-Port Authority piers.	ICC extended exempt area of N.Y. Commercial Zone to Elizabeth-Port Authority Piers subject to waterborne restriction. Elimination of waterborne restriction at Elizabeth and Port Newark denied. Petition for reconsideration filed and waiting ICC action.
ICC I&S 6615	Equalization of railroad rates among North Atlantic Ports.	Oral argument against ICC decision denying equalization held before U. S. District Court. Decision pending.
ICC I&S 7558	Port "splitting" railroad rates on transcontinental lumber to points in the Port of New York.	Higher carfloat and lighter delivery rates withdrawn by railroads pending decision by ICC.
ICC I&S 7709	Reduced railroad rates for grain storage at Baltimore, Philadelphia, and Norfolk.	Suspended and assigned for investigation by ICC. Hearings scheduled January 1962.

PROCEEDINGS BEFORE THE CIVIL AERONAUTICS BOARD

DOCKET	SUBJECT	STATUS
7723 et al	Review of airline service pattern between the U. S. and Pacific points. The Port Authority supports additional polar route service to Far East.	CAB approved second polar route between Port District and Far East but President disapproved because of foreign policy considerations. Additional CAB hearings held late in 1961. Decision pending.
9973	Investigation of air coach service in nine Port District markets. The Port Authority supports improved coach service to Buffalo, Cincinnati, Rochester and Syracuse and non-reservation service to Washington, D. C.	*Examiner recommends improved air coach service in four markets and reservationless service to Washington, D.C. CAB decision due in 1962.
13204	Helicopter airline subsidy allocations. The Port Authority supports the allocation of adequate subsidy to enable New York Airways to provide service between Manhattan and the airports.	Hearing scheduled for early 1962. CAB decision due in 1962.
10067 et al	Reviewed authorization of the domestic all-cargo airlines. The Port Authority is supporting the continued certification of the all-cargo carriers.	*Examiner recommends continued certification of two all-cargo carriers. CAB decision due in 1962.
8305	Service by Allegheny Airlines between Port District and New Jersey and Pennsylvania points. The Port Authority supports continued non-stop authority for Allegheny to Harrisburg.	Awaits Examiner's Initial Decision.
2259	Additional non-stop service between the Port District and Milwaukee and Minneapolis/St. Paul. The Port Authority supports additional non-stop service.	Motions requesting CAB investigation pending.

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



The Port Authority Board of Commissioners receives a report from Executive Director Austin J. Tobin (standing). Members of the Board (from left) are: Alexander Halpern, Charles W. Engelhard, Joseph A. Martino, John J. Clancy, Honorary Chairman Howard S. Cullman, Vice-Chairman James C. Kellogg III, Chairman S. Sloan Colt, Donald V. Lowe, N. Baxter Jackson, Robert F. McAlevy, Jr., Bayard F. Pope, and W. Paul Stillman. Seated at the table in the foreground (from left) are General Counsel Sidney Goldstein and Deputy Executive Director Matthias E. Lukens.



Administration

The policies and programs of The Port of New York Authority are established and directed by the Board of Commissioners in accordance with the Compact between the States of New Jersey and New York which created the agency on April 30, 1921. Six Commissioners are appointed by the Governor of New York, and six by the Governor of New Jersey to serve without pay for overlapping terms of six years.

The Board of Commissioners is composed of leaders in business, finance and industry within the 1,500-square-mile Port District.

At the Annual Meeting of the Board in April, 1961, S. Sloan Colt of New York City was re-elected by his fellow Commissioners for his

third term as Chairman of the Port Authority. Howard S. Cullman of New York City was re-elected as Honorary Chairman, and James C. Kellogg III of Elizabeth, New Jersey was re-elected to his second term as Vice-Chairman.

Chairman Colt was elected to this post in 1959 after serving as Chairman of the Finance Committee. He was appointed to the Board of Commissioners in 1946 by former Governor Thomas E. Dewey. Mr. Colt, a director and member of the executive committee of the Bankers Trust Company and its former chairman of the board, is an officer and member of leading civic, cultural, educational and philanthropic groups.

Commissioners

S. SLOAN COLT of New York City is a director and member of the executive committee of Bankers Trust Company, having previously served as its president and chairman of the board. He is also a director of leading financial, industrial and insurance companies and a member and officer in leading civic, cultural, educational and philanthropic groups. Chairman Colt was appointed to the Port Authority Board in 1946 and reappointed in 1950 by former Governor Thomas E. Dewey. Former Governor Averell Harriman appointed him to a third term in 1956. He was elected Chairman of the Authority in 1959.



S. SLOAN COLT



HOWARD S. CULLMAN

HOWARD S. CULLMAN of New York City is president of Cullman Bros., Inc., and director and officer of many banking and business enterprises. He is known for his interest and investments in the theater and his work in medical and health organizations. He served as U. S. Commissioner General for the 1958 Brussels Universal and International Exhibition. Appointed to the Board by former Governor Alfred E. Smith in 1927, he was reappointed by former Governors Lehman, Dewey and Harriman. Vice-Chairman from 1934 to 1955, he was Chairman for ten years and since 1955 has been Honorary Chairman.

JOHN J. CLANCY of South Orange, New Jersey, is the senior member of the law firm of Clancy & Hayden. He is a director of The National State Bank of Newark, a director and chairman of the executive committee of the Carteret Savings & Loan Association, and a director in other financial and business enterprises, and is active in various legal, civic and philanthropic organizations. He was appointed to the Port Authority in 1958 by former Governor Robert B. Meyner.



JOHN J. CLANCY



CHARLES W. ENGELHARD

CHARLES W. ENGELHARD of Far Hills, New Jersey is chairman of the board of Engelhard Industries, American-South African Investment Co., Ltd. and Rand Mines, Ltd. He is active in a number of New Jersey civic and philanthropic organizations, serving as a director of the New Jersey Chamber of Commerce, the Thomas Alva Edison Foundation and the Newark Museum. He is a director of Public Service Electric and Gas Co. and of the National Newark and Essex Banking Co. Commissioner Engelhard was appointed to the Board in 1960 by former Governor Robert B. Meyner.

ALEXANDER HALPERN of White Plains, New York, is a partner in the law firm of Pross, Smith, Halpern & LeFevre and is a member of New York City, Westchester, New York State and American Bar Associations. He is also an executive and director of a number of realty and investing corporations and is a financial advisor. Commissioner Halpern is president and director of the National Parkinson's Disease Foundation and of the Mental Health Association of Westchester County, and is active in civic affairs. He was appointed to the Board of Commissioners in 1960 by Governor Nelson A. Rockefeller.



ALEXANDER HALPERN



N. BAXTER JACKSON

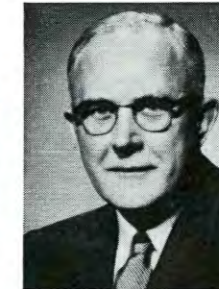
N. BAXTER JACKSON of New York City is chairman of the executive committee of the Chemical Bank New York Trust Company and is a director of other banking insurance and industrial corporations. Active in civic and philanthropic affairs, he is a trustee of Roosevelt Hospital, director and treasurer of Beekman-Downtown Hospital and a member of the board of trustees of Vanderbilt University. He was appointed to the Port Authority Board of Commissioners in 1955 by former Governor Averell Harriman.



JAMES C. KELLOGG III

JAMES C. KELLOGG III, of Elizabeth, New Jersey, has been a member of the New York Stock Exchange since 1936. He has served as chairman of the Exchange's Board of Governors and is a senior partner of Spear, Leeds and Kellogg as well as a director of other business, banking and financial organizations. Commissioner Kellogg is president of the J. C. Kellogg Foundation for Infantile Paralysis and is active in civic and church groups. He was named a Commissioner in 1955 and reappointed in 1960 by former Governor Robert B. Meyner and was elected Vice-Chairman in 1960.

DONALD V. LOWE of Tenafly, New Jersey, is president of the Lowe Paper Company. He has served as United States Delegate to the Transportation and Communications Commission of the United Nations. A trustee of the New Jersey Manufacturers Association and a director of its associated insurance companies, he is also a director or former officer of other businesses and associations and is a leader in civic, church and school affairs. Commissioner Lowe was appointed to the Port Authority by former Governor Edge in 1945 and reappointed by former Governor Driscoll. He was elected Vice-Chairman of the Authority in 1953 and served as Chairman between 1955 and 1959.



DONALD V. LOWE



ROBERT F. MCALEVY, JR.

ROBERT F. MCALEVY, JR., of Hoboken, New Jersey, is a lawyer. A former member of the New Jersey Assembly and Hoboken Magistrate, he is at present Hoboken's City Attorney. He is a member of the Hoboken, Hudson County and American Bar Associations, National Institute of Municipal Law Officers, American Judicature Society and active in various civic and fraternal organizations. Commissioner McAlevy was named to the Board in 1959 by former Governor Robert B. Meyner.

JOSEPH A. MARTINO of Manhasset, New York, is president of the National Lead Company. He is a director of the Chase Manhattan Bank and a director or officer of other leading industrial, business and insurance organizations. He is also on the governing boards of outstanding business promotion and advisory groups. Commissioner Martino is active in civic affairs and is director or trustee of several hospitals and medical research foundations. He was appointed to the Port Authority Board of Commissioners in 1958 by former Governor Averell Harriman and reappointed by Governor Nelson A. Rockefeller in 1959.



JOSEPH A. MARTINO



BAYARD F. POPE

BAYARD F. POPE of New York City is a director and a member of the executive committee of the Marine Midland Corporation, and is a director and a member of the executive committee of The Marine Midland Trust Company of New York. He is also a director of several leading utility, financial and industrial corporations. Active in civic, cultural and charitable organizations, he is the honorary chairman of the Community Service Society and a trustee of various institutions. An appointee of former Governor Thomas E. Dewey, Mr. Pope served as a Commissioner of the Port Authority from 1944 to 1955. Governor Nelson A. Rockefeller reappointed him in 1959.

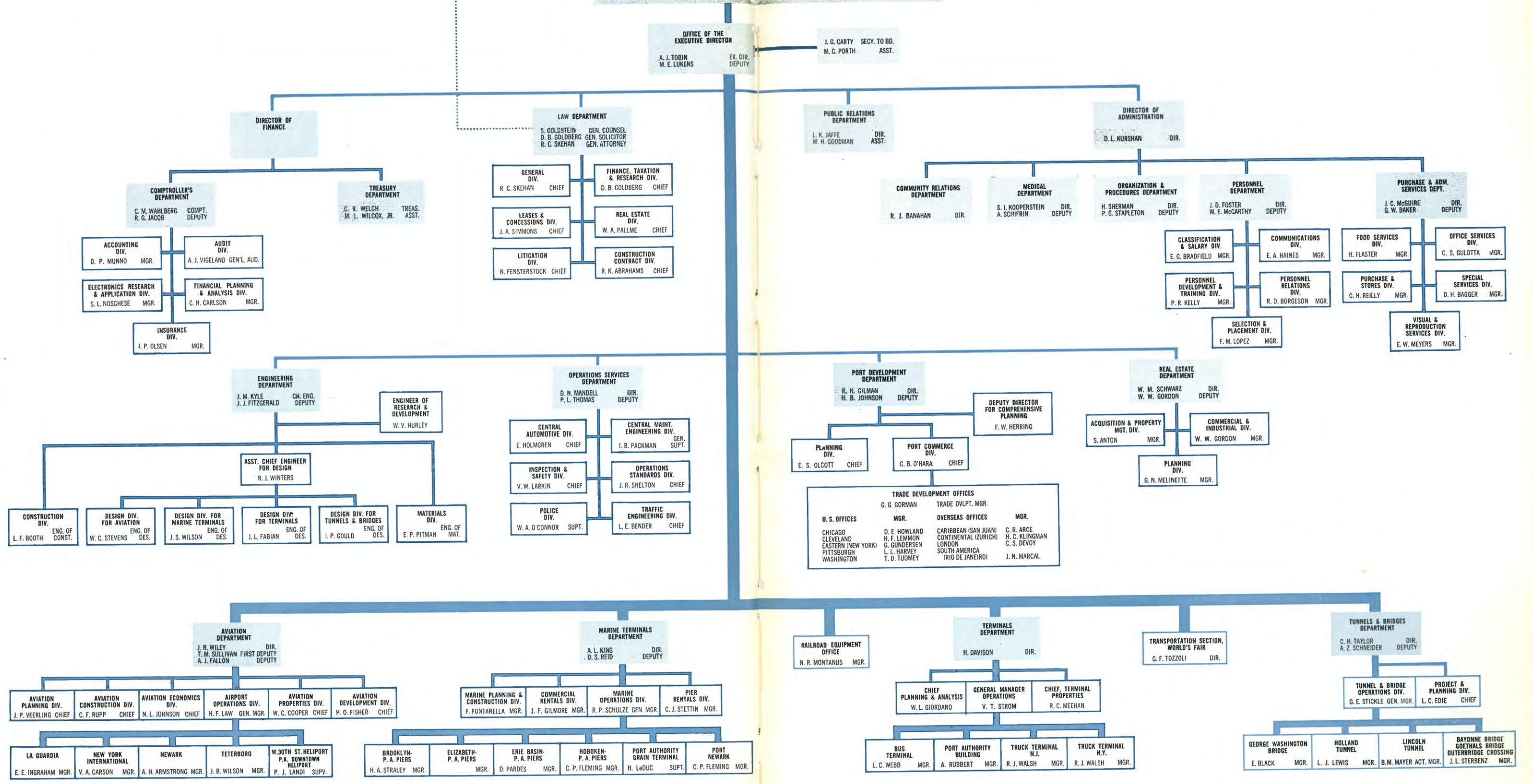
W. PAUL STILLMAN of Fair Haven, New Jersey, is chairman of the board of The National State Bank of Newark, and of the Mutual Benefit Life Insurance Company. He is also a director of several manufacturing, insurance and utility companies. Commissioner Stillman is chairman of the finance committee of the Hospital Service Plan of New Jersey, a member of the board of trustees of New York University and a member of the advisory council of the Department of Politics of Princeton University. He was appointed to the Port Authority Board of Commissioners by former Governor Robert B. Meyner in 1960.



W. PAUL STILLMAN

Commissioners

**THE PORT OF NEW YORK AUTHORITY
BOARD OF COMMISSIONERS**



Honorary Chairman Howard S. Cullman in 1961 began his thirty-fifth year of public service as a Port Authority Commissioner. First appointed to the Board by the late Governor Alfred E. Smith in 1927, he was Vice-Chairman from 1934 to 1944 and Chairman from 1945 to 1955 when he was elected to the post of Honorary Chairman. He is the president of Cullman Bros., Inc., and a director and officer of many banking, business and philanthropic enterprises. Mr. Cullman is known for his interest and investments in the theater and his work in medical and health organizations.

Vice-Chairman James C. Kellogg III was appointed to the Board of Commissioners by former Governor Robert B. Meyner in 1955. A member of the New York Stock Exchange and former chairman of its board of governors, he is a senior partner of Spear, Leeds and Kellogg. He is a director of other business, banking and financial organizations. He is president of the James C. Kellogg Foundation for Infantile Paralysis and is active in civic and church groups.

There are four committees of the Board of Commissioners. These committees and their officers are: Committee on Construction, N. Baxter Jackson, Chairman and John J. Clancy, Vice-Chairman; Committee on Finance, James C. Kellogg III, Chairman and Joseph A. Martino, Vice-Chairman; Committee on Operations,

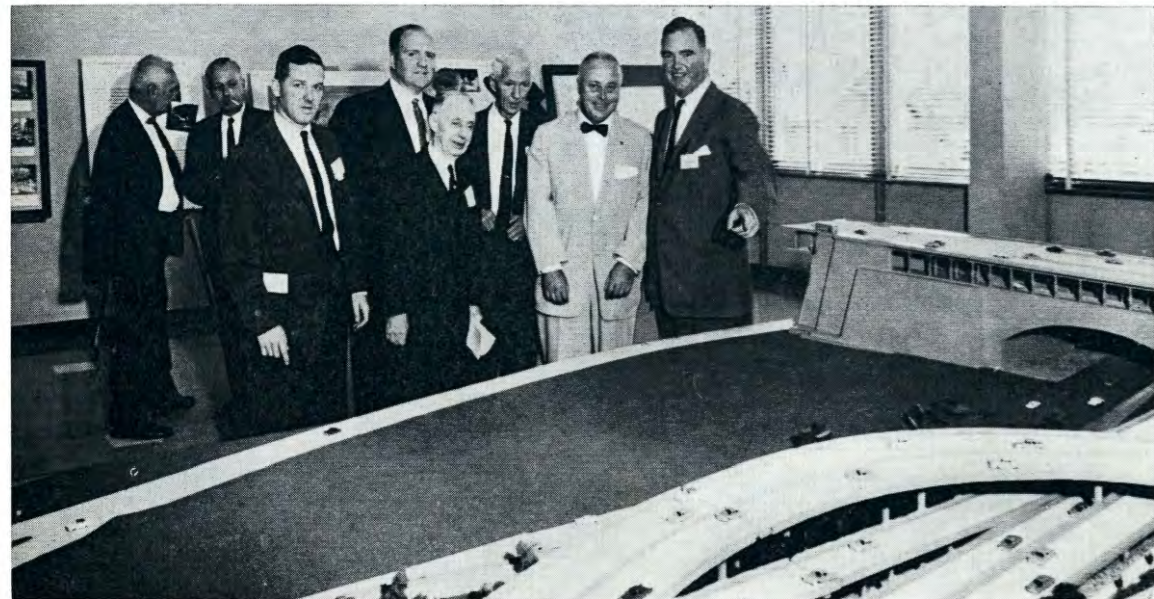
Howard S. Cullman and Bayard F. Pope, serving as Chairman and Vice-Chairman respectively; Committee on Port Planning, Donald V. Lowe and Robert F. McAlevy, Jr., serving as Chairman and Vice Chairman respectively. These committees act upon policies and programs related to their specific responsibilities, and either take action themselves or recommend suitable action to the Board in certain cases.

The policies and programs of the Board are carried out by the Executive Director of the Port Authority. Executive Director Austin J. Tobin was elected by the Board to this post in 1961 for the nineteenth consecutive year. He reports directly to the Commissioners as head of staff. Assisting Mr. Tobin in carrying out the Board's policies is Deputy Executive Director Matthias E. Lukens.

The Port Authority General Counsel is the legal advisor of the Board of Commissioners, the Executive Director and the staff, and represents the Port Authority in all legal matters. General Counsel Sidney Goldstein was re-elected to this post by the Board for the tenth consecutive year in 1961.

The Secretary of the Port Authority is Joseph G. Carty, who prepares and keeps the official minutes of the Board of Commissioners' meetings as well as all other official records of the agency.

Vice-Chairman James C. Kellogg III (right), describes model of the George Washington Bridge approaches for a group of Port District trade and civic executives during their annual inspection of Port Authority facilities.



The Port Authority is organized into "line" and "staff" departments which report to the Executive Director. The line, or facility operating units, are the Aviation, Inland Terminals, Marine Terminals, and Tunnels and Bridges Departments, the Railroad Equipment Office and the Transportation Section-World's Fair.

The staff departments include Community Relations, Comptroller's, Engineering, Law, Medical, Operations Services, Organization and Procedures, Personnel, Port Development, Public Relations, Purchase & Administrative Services, Real Estate, and Treasury.

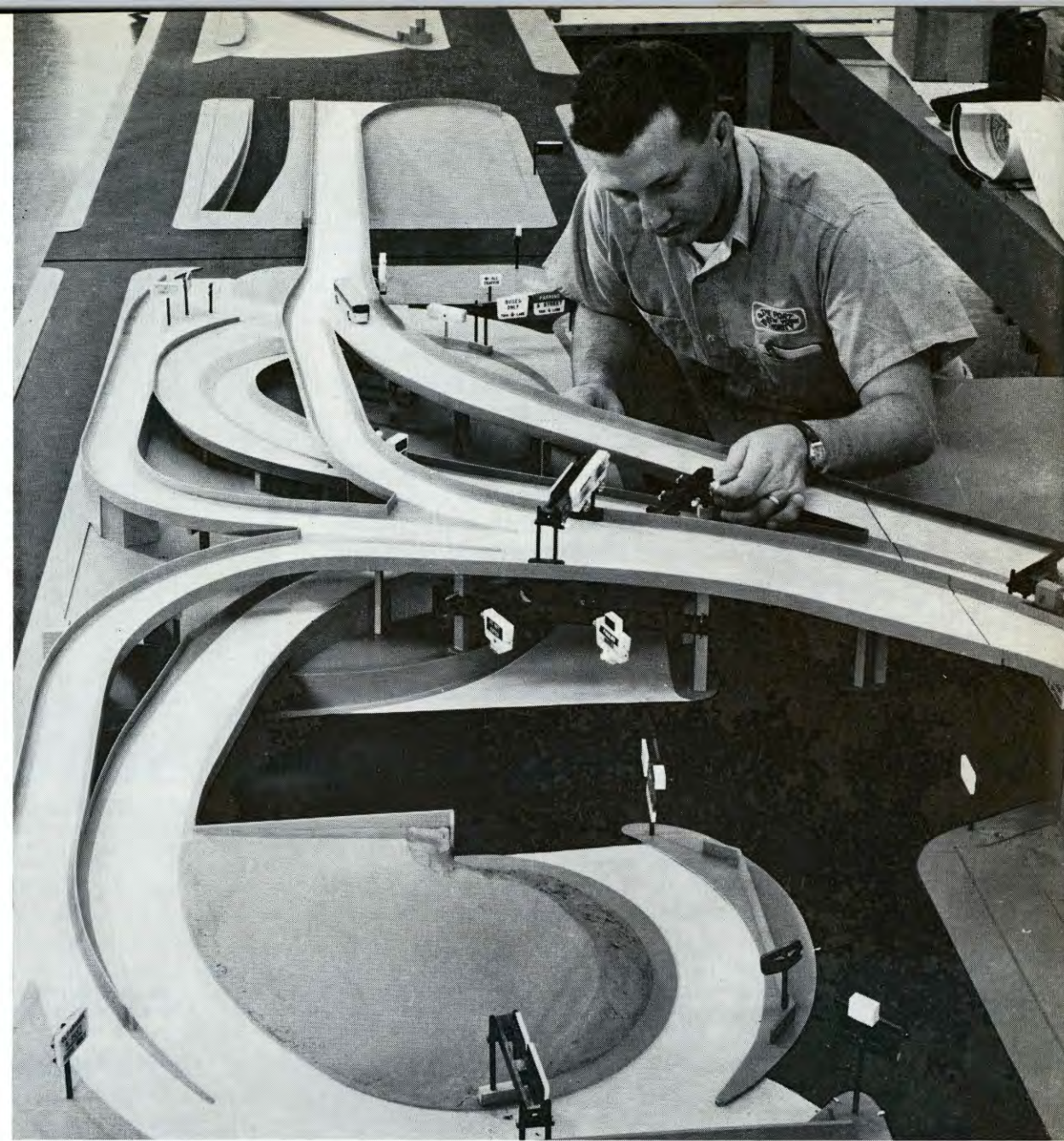
The organization structure is designed to assure maximum efficiency and economy in the effective performance of the wide variety of public services carried on by the Port Authority, with related activities grouped together. The line departments are responsible for effective facility operations, while the staff departments provide various specialized services and insure that over-all policies and standards are consistent and are being met.



New York International Airport was selected by the American Society of Civil Engineers for its 1961 award as the outstanding civil engineering achievement of the year. Chairman S. Sloan Colt (right), is shown with Glenn W. Holcomb, President of the ASCE, during the award ceremony.

Honorary Chairman Howard S. Cullman addresses the annual meeting of the Port Service Club, which is comprised of staff members who have served the bi-state agency for 25 years or more. Executive Director Austin J. Tobin, himself a member, is shown on the dais (third from left) with the officers of the employee service organization.





The Staff

To discharge the Port Authority's responsibility to the people of the Port District requires the concerted efforts of many people. In 1961, a staff of 4,985 worked together to carry on operations at our twenty-two public facilities and fulfill our other functions in the field of developing and handling the commerce of the New Jersey-New York Port.

To attract and retain employees capable of meeting the high standards required of the Port Authority, an annual salary survey is made to assure that our wages compare favorably with those paid for comparable work in the Port District. In 1961, rates for thirty-two representative job classifications were furnished to us by 49 commercial, state and municipal agencies.

In 1961, 23 new, specialized jobs were established to enable us to keep pace with the rapid scientific and technological advances calling for Electronic Data Process Designers, Research Engineers and Research Group Leaders.

The aim of our selection and competitive promotion programs is to assure that each posi-

tion, in the more than 768 job classifications, is filled by the best qualified people available to us.

In 1961, some 4,100 applicants were given written and performance examinations and personal interviews which resulted in the selection of 520 new members of the staff. Similar techniques were used in internal promotion competitions, in which over 3,560 employees participated, and 757 earned advancement during the year.

PERSONAL DEVELOPMENT PROGRAMS

In-service training and personal development opportunities were made available again this year to enable the staff to keep up with trends and advances in their respective areas of responsibility. Attendance at conferences, workshops, seminars and technical and management courses afforded the management, technical and supervisory staff opportunities to exchange new ideas, concepts and techniques in their fields.



More than forty courses ranging from stenography to plumbing were offered this year to employees who sought to improve their on-the-job skills, and special programs to meet the needs of specific work units also were established. To alleviate the critical shortage of skilled technicians in the electrical, maintenance and automotive fields, the maintenance skills training programs were continued in 1961.

Under the Education Refund Program, which provides tuition refunds for courses related to the current or projected needs of the Authority, 572 applications were approved for study at accredited schools and colleges.

A vital role in assuring high levels of morale and performance is played by the three independent employee organizations which represent our police, maintenance and clerical staffs. These organizations, through their elected officers, help handle grievances and reviews of our personnel policies and administration.

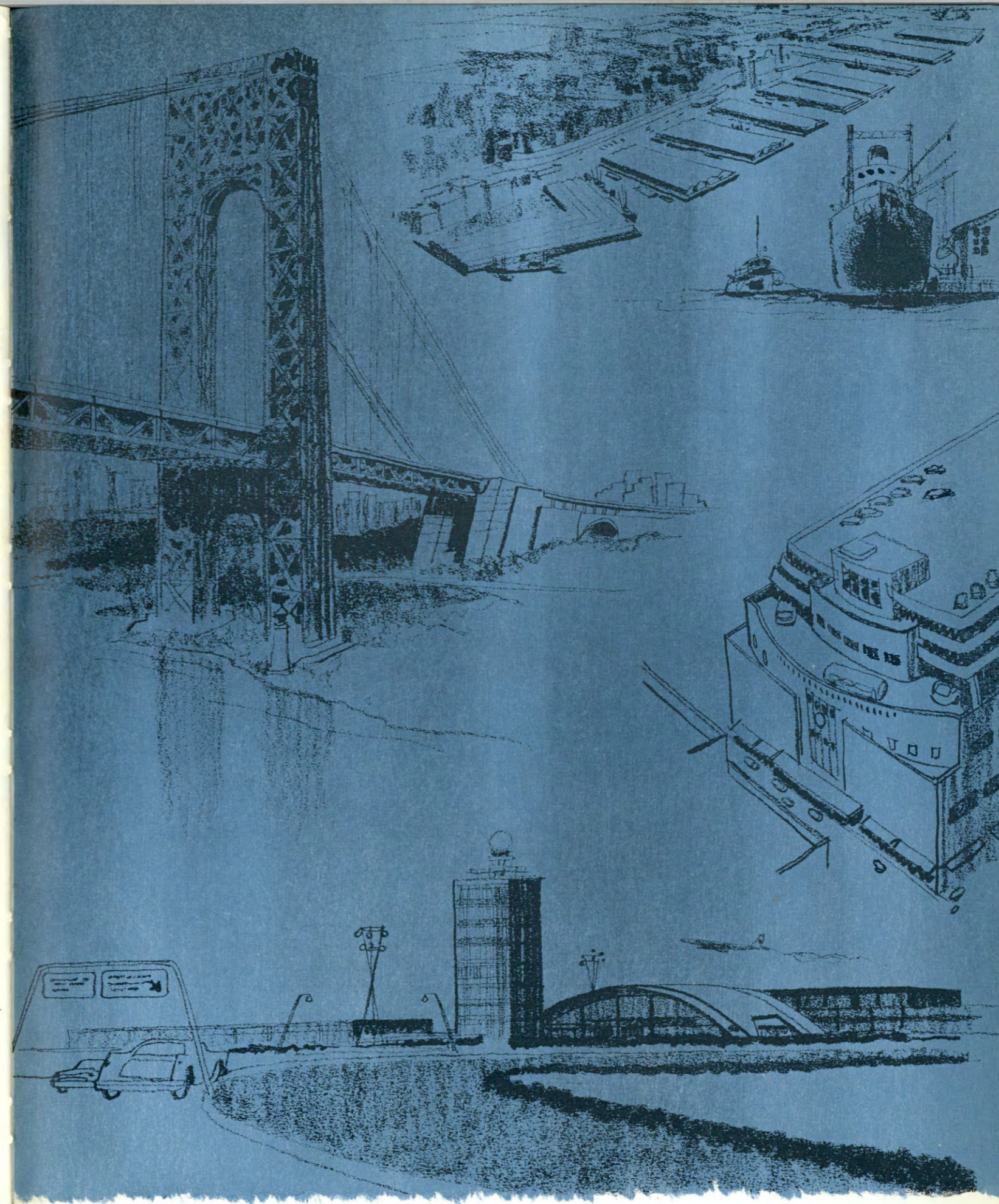
General knowledge about Port Authority policies, objectives, organization and activities is assured through a comprehensive employee information program. Guidebooks, a monthly newspaper, and numerous special-purpose pamphlets and bulletins are available.

Over the past eight years, due to the efforts of the staff, five of the National Safety Council's highest award—the Award of Honor—have been earned by the Port Authority. The Suggestion System solicits and rewards staff members for ideas which improve safety, service to the public, operating efficiency, and economy.

MEDAL AWARDS

Port Authority Medals are awarded for exceptionally meritorious efforts. In 1961, The Port Authority Medal of Honor was presented posthumously to Police Officer Hitler McLeod who was shot while discharging his responsibilities as a peace officer. For "unusually efficient or distinguished service involving outstanding judgment, conduct or initiative over a period of years," the Distinguished Service Medal was awarded to Ernest Black, Harry B. Bofinger, Ronald J. Bolger, Harold J. Frevert, Herman W. Hendess, Louis Kantrowitz, James D. Munro, Helen E. Opdycke and Pauline Wohlrath. The Commendation Medal was awarded to Michael Walsh for his good judgment and courage in halting a runaway truck with his own vehicle. Ten members of the police force received the new Meritorious Police Duty Medal.

Awards recognizing exceptionally meritorious efforts were presented to staff members during the year by Chairman S. Sloan Colt (standing left) and Executive Director Austin J. Tobin (standing right). The Medal of Honor, the Port Authority's highest commendation, was presented posthumously to Police Officer Hitler McLeod who was shot discharging his responsibilities as a peace officer. Award recipients included (from left, seated) Ronald J. Bolger, Harry B. Bofinger, Pauline Wohlrath, Helen E. Opdycke, Louis Kantrowitz, and Ernest Black. (From left, standing) James D. Munro, Harold W. Frevert, Sgt. Herman W. Hendess, and Michael J. Walsh.



Basic Policies and Financial Structure

The States of New Jersey and New York directed the Authority "... to proceed with the development of the Port of New York ... as rapidly as may be economically practicable." The Port Authority, however, was not given the power to levy taxes or assessments or to pledge the credit of either state or any municipality.

In order to finance on a self-supporting basis and without cost to the general taxpayer, essential land, sea and air terminals and transportation facilities, it therefore has been necessary to fully develop revenue potential and utilize modern efficient business methods 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.

First, the Statutes establishing the General Reserve Fund provide for the pooling of revenues to the end that older facilities with established earning power aid new projects during developmental loss periods until they reach their anticipated point of self support.

Second, the Port Authority maintains, at year's end, a combined amount in all reserve funds at least equal to the next two years' debt service; and retires funded debt as rapidly as sound financial management permits.

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

Fourth, sound business methods, advanced engineering techniques and judicious planning are utilized to put new projects on a self-supporting basis 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, as a result, a total of more than a billion dollars has been invested in Port of New York Authority bonds.

Highlights

	1961	1960
Gross Operating Revenues	\$ 123,200,000	\$ 115,300,000
Net Operating Revenues	67,200,000	62,600,000
Debt Retired	51,700,000	53,900,000
Interest on Debt	14,800,000	13,200,000
Cumulative Invested in Facilities	1,116,100,000	1,012,500,000
Funded Debt Outstanding	626,000,000	610,800,000
General Reserve Fund	62,600,000	61,000,000
Special Reserve Funds	19,800,000	18,000,000

Combined Operations in Brief

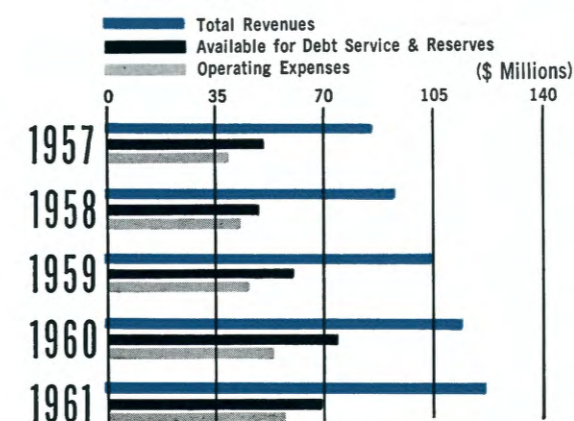
The year's operations of Port Authority facilities produced gross revenues of \$123,267,000, an increase of 6.8 per cent over 1960. Concurrently, operating, administrative and development expenses increased 6.3 per cent over last year to \$56,018,000. Thus, net operating revenues totaled \$67,249,000, an increase of 7.3 per cent or \$4,567,000 greater than 1960. Investment income from securities held in reserve and operating funds totaled \$4,339,000, which was offset by \$1,943,000 downward security valuation adjustment (see Reserve Funds). The combined total produced \$69,645,000 available for debt service.

Scheduled amortization of long-term debt and interest totaled \$33,809,000 in addition to the payment of \$32,000,000 Consolidated Notes. In anticipation of future years' scheduled requirements, General and Refunding Bonds with a par value of \$650,000 were retired at an amortized cost of \$489,000.

Reserve funds totaled \$82,412,000 at the year end, an increase of \$3,346,000 over 1960, and therefore continue to meet the requirements of the applicable statutes of New Jersey and New York and Port Authority bond resolutions.

The financial affairs of the Port Authority are administered by Charles R. Welch, Treasurer, and Carl M. Wahlberg, Comptroller.

Revenues and Disposition of Revenues



Financial Position at Year End

HIGHLIGHTS

On December 31, 1961, the total assets of the Authority were \$1,290,604,000 (cumulative investment in facilities plus construction, operating and reserve funds). The increase of \$103,569,000 in construction completed or in progress, partly offset by a \$32,143,000 reduction of Construction Funds, were the major factors producing a net increase of \$76,509,000 in total assets.

Funded debt totaled \$626,093,000, an increase of \$15,266,000 or 2.5 per cent over 1960.

Additions to debt retired through income and additions to reserves amounted to \$57,264,000 for the year 1961. The aggregate total at the year end was \$621,042,000 which is 55.6 per cent of the total amount invested in facilities.

INVESTED IN FACILITIES

At year end, cumulative investment in the Authority's facilities was \$1,116,109,000, an increase of \$103,569,000 over last year. The major portion of increased investment is from the continuing development at New York International Airport, construction of the George Washington Bridge Second Level, and LaGuardia Airport. The remaining 1961 capital expenditures for construction were made, for the most part, at the Port Authority Bus Terminal, Elizabeth and Brooklyn-Port Authority Piers and Port Newark. Specific details may be found in the operating departments' chapters.

Cumulative Invested in Facilities

(In Millions) December 31, 1961

AIR TERMINALS

New York International Airport	\$311.1
LaGuardia Airport	42.6
Newark Airport	39.6
Teterboro Airport	10.5
Heliports7
Total	404.7

INLAND TERMINALS

Port Authority Bus Terminal	36.2
Port Authority Building	22.6
New York Truck Terminal	9.9
Newark Truck Terminal	8.1
Total	76.9

MARINE TERMINALS

Brooklyn-Port Authority Piers	68.1
Port Newark	67.6
Hoboken-Port Authority Piers	17.8
Elizabeth-Port Authority Piers	17.8
Erie Basin-Port Authority Piers	10.3
Port Authority Grain Terminal	2.4
Columbia Street Pier	1.2
Total	185.5

TUNNELS & BRIDGES

Lincoln Tunnel	186.5
George Washington Bridge	173.3
Holland Tunnel	58.2
Bayonne Bridge	13.1
Outerbridge Crossing	10.0
Goethals Bridge	7.4
Total	448.8
Total	\$1,116.1

FUNDED DEBT

Funded debt increased \$15,266,000 or 2.5 per cent over last year. New issues during the year were \$35,000,000 Consolidated Notes and a \$35,000,000 serial issue of Consolidated Bonds. Debt reduction during the year totaled \$54,734,000, including \$3,000,000 Series K Notes which were refunded as shown in Statement I, "Funded Debt."

RESERVE FUNDS

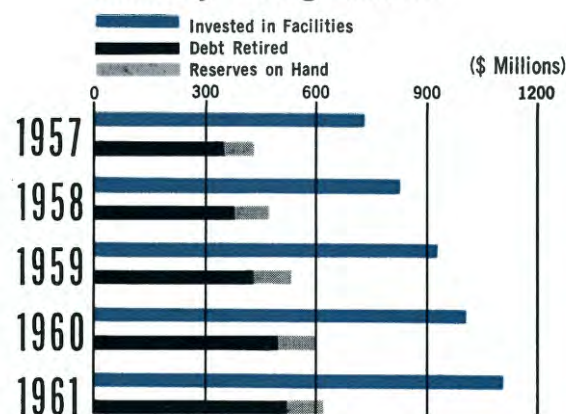
Total reserve funds at the year end were \$82,412,000, reflecting a net increase of \$3,346,000 from the year's operations. The General Reserve Fund was \$62,609,000 which equaled the statutory amount of 10% of outstanding debt. In addition, the Special Reserve Fund totaled \$13,305,000, the Air Terminal Reserve Fund \$5,376,000 and the Marine Terminal Reserve Fund \$1,121,000. These reserve balances continue to meet all requirements of the various statutes of New Jersey and New York affecting the Port Authority and of the Authority's covenants with

Summary of Reserves

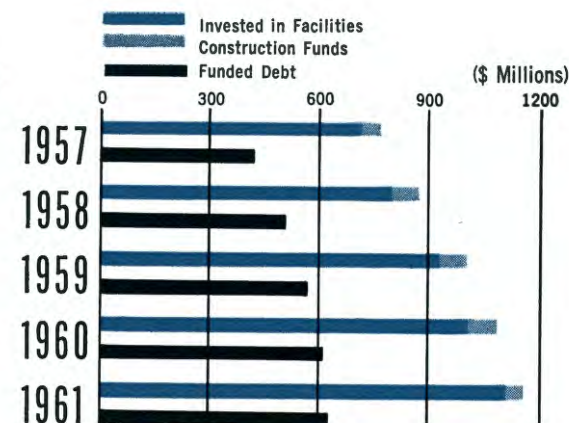
(In Millions)

	December 31		
	1961	1960	Increase
General Reserve	\$62.6	\$61.0	\$1.6
Special Reserve	13.3	12.5	.8
Air Terminal Reserve	5.3	4.4	.9
Marine Terminal Reserve	1.1	1.0	.1
Total	\$82.4	\$79.0	\$3.4

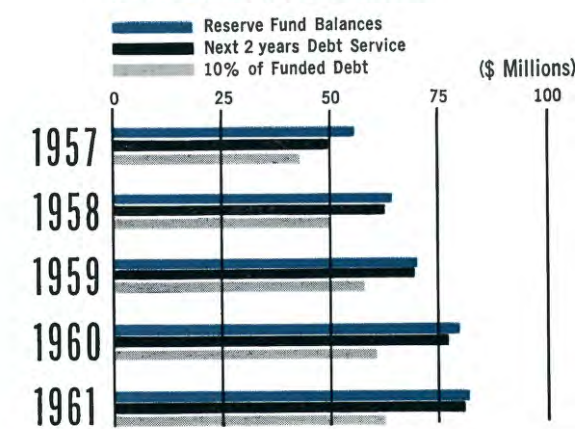
Invested in Facilities vs Recovery Through Income



Invested in Facilities vs Funded Debt



Reserve Funds 1957-1961



bondholders. The combined balances met the long established policy of maintaining reserves of at least the next two years' mandatory debt service. The total reserves, at year end, exceeded the next two years' debt service by \$1,020,000.

Bond covenants require reserve funds to be maintained in cash or invested in certain government securities. Invested in such securities was \$81,588,000 as shown in Statement D, "Analysis of Reserve Funds." Investment income from these funds was \$3,349,000 in 1961 as compared with 1960 income of \$3,489,000.

The policy of adjusting the value of security holdings at year end to the lower of aggregate market value or aggregate amortized cost resulted in a downward adjustment of \$1,814,000.

INVESTMENT INCOME

The prime objective of the security investment program has always been the prudent investment of available funds so as to assure maximum earnings while, at the same time, providing optimum security. Investments held by the Authority averaged more than \$207,000,000. Of this, \$90,498,000, representing reserve funds, was invested in long-term government securities. The net income on long-term investments was \$3,733,000, an average return of 4.2 per cent. Construction funds awaiting disbursement and current revenues were invested in short-term government securities and time deposits. The net income from these short-term investments totaled \$3,831,000, an average return of 3.2 per cent.

Distribution of investment income of \$7,565,000 from the total investment portfolio was \$3,349,000 to reserve funds, \$990,000 to operating funds. The balance of \$3,226,000 was allocated to capital funds, thus reducing the borrowing costs during the construction period.



Facts For Bondholders

CONSOLIDATED BONDS

Consolidated Bonds are secured by the General Reserve Fund on an equal basis with other outstanding issues of Port Authority bonds. This pledge presently constitutes the prime security for Consolidated Bonds. As each of the older classes of bonds—General and Refunding, Air Terminal and Marine Terminal Bonds—is retired, and since the Authority has agreed that it will not issue any additional bonds of these classes, Consolidated Bonds will have a first lien on the net revenues of those facilities presently pledged for such prior issues of bonds.

Consolidated Bonds, the only medium of current financing, represent 82 per cent of the outstanding funded debt of \$626,093,000 at year end. Progress in unifying the debt structure as older prior lien bonds are retired is shown for the past five years on the adjoining chart.

On December 31, 1961 outstanding Consolidated Bonds totaled \$509,911,000. Over the years a total of \$759,000,000 Consolidated Bonds have been issued, of which \$121,000,000 of the proceeds have been allocated to "Consolidated Bond Facilities": Brooklyn-Port Authority Piers, Hoboken-Port Authority Piers, Erie Basin-Port Authority Piers, Elizabeth-Port Authority Piers (under construction) and the two Port Authority Heliports. The remaining \$638,000,000 Consolidated Bond proceeds were allocated to other facilities.

At present the net revenues from the "Consolidated Bond Facilities," listed above, are the only revenues upon which all Consolidated Bonds have a prior lien. This will continue until the older classes of bonds are retired. During the transition period pending retirement of these older bond classes, the facilities whose net revenues are not yet subject to a first lien in favor of Consolidated Bonds are being improved out of the proceeds of Consolidated Bonds.

The debt service on all the Consolidated Bonds cannot, of course, be met from the net revenues of "Consolidated Bond Facilities" alone; they are therefore met from the pooled revenues of all facilities through the medium of

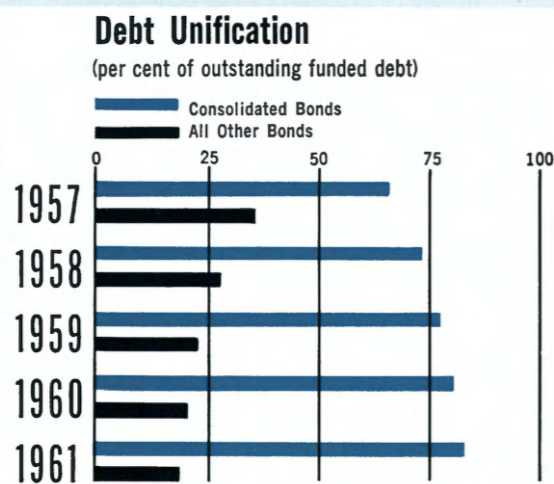
the General Reserve Fund. At the end of 1961, after all debt service was covered from revenues and reserves, the General Reserve Fund totaled \$62,609,000.

GENERAL AND REFUNDING BONDS

At year end, outstanding General and Refunding Bonds amounted to \$46,077,000—a decrease of \$5,705,000 from the 1960 year-end total.

An additional \$42,741,000 Consolidated Bond proceeds were invested in these facilities during 1961 bringing the Authority's cumulative investment to \$529,535,000. Consolidated Bond proceeds now have provided \$229,650,000 for capital construction at the facilities in this bond group.

General and Refunding Bonds have a first lien on the net revenues of the Port Authority's two tunnels and four bridges, four inland terminals and Port Authority Grain Terminal-Columbia Street Pier. The 1961 operations of these facilities, after operating expenses and financial income, produced net revenues of \$34,622,000 available for debt service and transfer to reserves. Debt service totaled \$5,856,000 and, at year end, the remaining revenues of \$28,766,000 were transferred to reserves, \$27,726,000 to maintain the General Reserve Fund at its statutory amount of 10 per cent of all outstanding debt and \$1,039,000 to the Special Reserve Fund which is pledged as additional security for this class of bonds.



AIR TERMINAL BONDS

These bonds have a first lien on the net revenues of the four airports. In 1961 net revenues available for debt service and reserves totaled \$26,055,000. After paying \$3,332,000 for debt service, the remaining revenues of \$22,723,000 were transferred to reserves—\$21,902,000 toward maintaining, at year end, the General Reserve Fund at the statutory amount of 10 per cent of all outstanding funded debt and \$821,000 to the Air Terminal Reserve Fund—which is pledged as additional security for this class of bonds.

With the investment of an additional \$38,393,000, of Consolidated Bond proceeds during 1961, the total Port Authority investment in airports rose to \$404,022,000. With the retirement of \$1,683,000 of Air Terminal Bonds during the year, outstanding Air Terminal Bonds at year end decreased to \$62,829,000.

MARINE TERMINAL BONDS

These bonds have a first lien on the net revenues of Port Newark which, in 1961, totaled \$3,288,000. After the payment of \$516,000 for debt service, the remaining \$2,771,000 was transferred to reserves—\$2,671,000 toward maintaining the General Reserve Fund as its statutory amount of 10 per cent of all outstanding funded debt and \$100,000 to the Marine Terminal Reserve Fund—which is pledged as additional security for this class of bonds.

Retirement of bonds totaling \$354,000 during 1961 reduced Marine Terminal bonds outstanding at the end of 1961 to \$7,276,000. The Authority invested \$5,417,000 Consolidated Bond proceeds during the year to raise the cumulative investment in Port Newark to \$67,666,000. Since first established in 1952, Consolidated Bond funds have provided \$59,200,000 for capital construction at this facility.

Net Revenues Available for Debt Service and Reserves

(In Millions)

	1957	1958	1959	1960	1961
CONSOLIDATED BONDS					
Revenues	\$ 4.8	\$ 4.2	\$ 6.3	\$ 6.7	\$ 7.3
Operating Expenses	2.8	2.4	2.8	2.7	3.2
Net Revenues	1.9	1.8	3.4	4.0	4.1
GENERAL AND REFUNDING BONDS					
Revenues	\$54.0	\$54.8	\$58.9	\$59.9	\$59.2
Operating Expenses	21.4	21.8	22.5	25.2	25.2
Net Revenues	32.5	32.9	36.4	34.6	34.0
AIR TERMINAL BONDS					
Revenues	\$21.4	\$28.6	\$34.8	\$43.1	\$50.7
Operating Expenses	12.7	15.6	18.0	22.2	24.8
Net Revenues	8.7	12.9	16.7	20.9	25.8
MARINE TERMINAL BONDS					
Revenues	\$ 4.4	\$ 5.4	\$ 5.5	\$ 5.6	\$ 5.8
Operating Expenses	2.5	2.5	2.1	2.4	2.6
Net Revenues	1.9	2.9	3.4	3.1	3.2

DEBT ISSUED

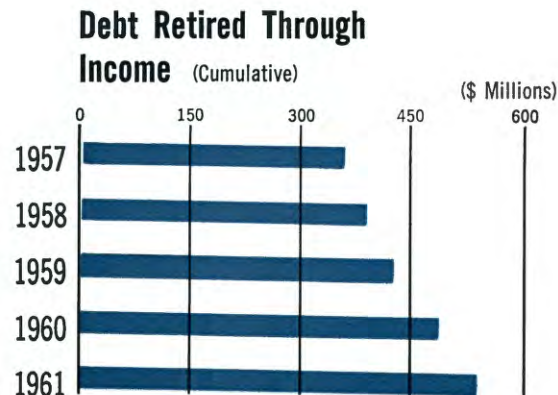
The first new issue of the year, \$35,000,000 of 1.65 per cent Consolidated Notes, Series K, due December 28, 1961, was sold to Morgan Guaranty Trust Company of New York on January 24, 1961.

On May 3, 1961, the second and final sale of the year was \$35,000,000 Consolidated Bonds, Eighteenth Series, due serially from 1962-1981, to a syndicate consisting of about 115 members, headed by Halsey, Stuart & Co., Inc., Drexel & Co., Glore Forgan & Co. and Ladenberg, Thalman & Co. Their bid of par for the issue bearing various interest rates was equivalent to an average net interest cost to the Port Authority of 3.407 per cent. Another bid came from a syndicate headed by Harriman Ripley & Co., Incorporated, Blyth & Co., Inc., and Associates, with an average net interest cost of 3.408 per cent, or a difference of only 13 cents per bond.

DEBT RETIRED

During the year, the following bonds, with a par value of \$19,084,000, were retired through mandatory sinking fund and maturity payments:

Series	Par Value
General & Refunding Bonds	
Eighth Series, 2s	\$ 365,000
Twelfth Series, 1½s	1,090,000
Fifteenth Series, 1½s	3,600,000
Air Terminal Bonds	
Second Series, 2½s	1,233,000
Third Series, 2.20s	450,000



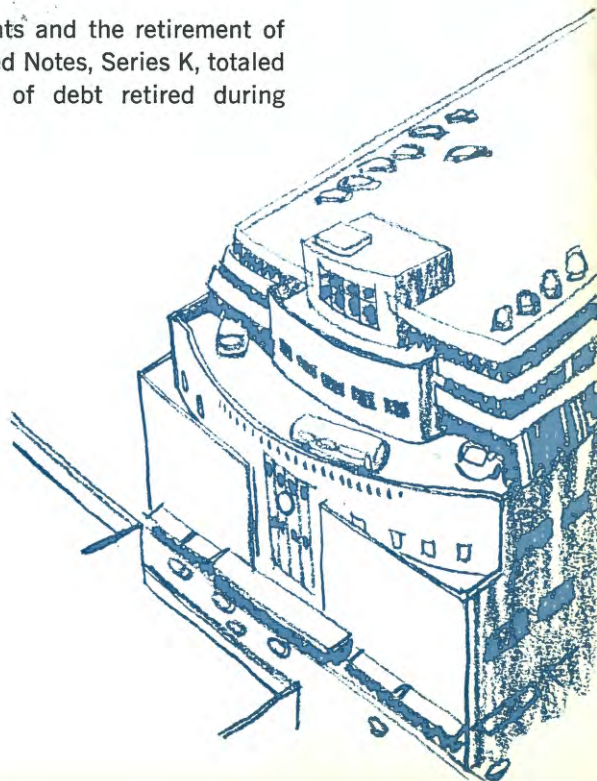
Series	Par Value
Marine Terminal Bonds	
First Series, 2½s	250,000
Second Series, 2.20s	104,000
Consolidated Bonds	
First Series, 3s	467,000
Third Series, 1.70s	2,625,000
Sixth Series, 3s	600,000
Seventh Series, 3.40s	500,000
Eighth Series, 3.40s	1,000,000
Ninth Series, 6s	1,800,000
Eleventh Series, 6s	2,000,000
Thirteenth Series, 6s	1,250,000
Fifteenth Series, 6s	250,000
Seventeenth Series, 6s	1,500,000
	\$19,084,000

In addition to the above, the following General and Refunding Bonds were retired in accordance with the policy of retiring additional debt as rapidly as sound financial management permits:

Eighth Series	\$328,000
Ninth Series	79,000
Tenth Series	121,000
Eleventh Series	122,000
	\$650,000

When compared with the call price, the retirement of these bonds, previously purchased in the open market, resulted in a saving of \$164,000.

The above retirements and the retirement of \$32,000,000 Consolidated Notes, Series K, totaled \$51,734,000 par value of debt retired during 1961.



**Opinion
Of Independent
Accountants**

PRICE WATERHOUSE & CO.

56 PINE STREET
NEW YORK 5

February 15, 1962

The Port of New York Authority
New York, N. Y.

In our opinion, the accompanying statements present fairly the financial position of The Port of New York Authority at December 31, 1961 and the results of its operations for the year, in conformity with the generally accepted accounting principles set forth in Note A of Notes to Financial Statements, applied on a basis consistent with that of the preceding year. 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 1961

NOTE A—ACCOUNTING PRINCIPLES:

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

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

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

4. The statement of combined total revenues and reserves is presented for general information purposes only and the amounts stated do not represent revenues applicable to any particular type of bonds. Debt service on each type of bonds is secured, first, by revenues of certain facilities as set forth in the various bond resolutions and, secondly, by the General Reserve Fund. The amount and disposition of revenues applicable to each type of bonds are set forth in Statement C and the amount and disposition of revenues applicable to the reserve funds are shown in Statement D.

5. The long-term and short-term securities are stated at the lower of their respective aggregate amortized cost or market values.

NOTE B—COMMITMENTS:

At December 31, 1961 the Authority was committed under various contracts to the completion over the next two or three years of approximately \$83,000,000 of structures. Cash and securities in the capital funds at that date were primarily for these commitments.

NOTE C—GENERAL:

The New York Air Terminals and the Newark Air and Marine Terminals are leased from the Cities of New York and Newark, respectively. In each case, these leases expire (a) upon the payment by the Authority of all of its funded debt issued in connection with such air and marine terminals or (b) in the year 1997 (New York) and 1998 (Newark), whichever occurs sooner.

The Hoboken-Port Authority Piers are leased from the City of Hoboken under a lease which will expire in the year 2002, unless a fifty-year extension is executed on or before that date.

A parcel of property at the Brooklyn-Port Authority Piers is leased from the City of New York under a lease which will expire in the year 2011.

NOTE D—FUNDED DEBT:

On January 2, 1962, the Authority sold \$35,000,000 Consolidated Notes, Series L, due December 27, 1962 at an average net interest cost of 1.77 per cent. On January 4, 1962, the Authority sold \$25,000,000 Consolidated Bonds, Nineteenth Series, 3½ per cent, due in 1991.

Statement A
REVENUES
AND RESERVES

	Year Ended December 31,	
	1961	1960
	(In Thousands)	
GROSS OPERATING REVENUES	\$123,267	\$115,370
OPERATING EXPENSES	56,018	52,688
Net Operating Revenues	67,249	62,682
FINANCIAL INCOME		
Income on investments—net	4,339	4,690
Security valuation adjustment	(1,943)	6,598
	69,645	73,970
DEBT SERVICE		
Interest on funded debt	14,807	13,291
Serial maturities and sinking fund requirements	19,002	17,449
Short-term note maturities	32,000	35,000
Debt retirement acceleration	489	1,021
Total Debt Service	66,298	66,762
NET INCREASE IN RESERVES	3,346	7,208
Reserve balances—beginning of year	79,065	71,857
RESERVE BALANCES—END OF YEAR	\$ 82,412	\$ 79,065

THE PORT OF NEW YORK AUTHORITY

Statement B
FINANCIAL
POSITION

	December 31,				1960
	1961				
	Capital Funds (Statement E)	Reserve Funds (Statement D)	General Operating Funds	Combined Total	Combined Total
	(In Thousands)				
ASSETS					
INVESTED IN FACILITIES	\$1,116,109	\$ —	\$ —	\$1,116,109	\$1,012,540
INVESTMENT IN SECURITIES (Statement G)	63,308	81,588	6,473	151,370	156,645
CASH	2,877	824	294	3,995	29,227
OTHER ASSETS	903	—	18,226	19,129	15,681
TOTAL ASSETS	1,183,197	82,412	24,994	1,290,604	1,214,095
LIABILITIES					
FUNDED DEBT (Statement I)	626,093	—	—	626,093	610,827
DEBT RETIRED THROUGH INCOME (Statement F)	538,630	—	—	538,630	484,713
RESERVES	—	82,412	—	82,412	79,065
ACCOUNTS PAYABLE AND OTHER LIABILITIES	18,474	—	17,150	35,625	31,803
PROVISION FOR SELF-INSURANCE	—	—	4,286	4,286	3,789
DEFERRED CREDITS TO INCOME	—	—	3,557	3,557	3,896
TOTAL LIABILITIES	\$1,183,197	\$82,412	\$24,994	\$1,290,604	\$1,214,095

See Notes to Financial Statements

Statement C
OPERATING
FUNDS
REVENUES
Year Ended
December 31, 1961

	Related to				Combined Total
	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	Consolidated Bonds	
	(In Thousands)				
GROSS OPERATING REVENUES	\$59,295	\$50,750	\$5,893	\$ 7,328	\$123,267
OPERATING EXPENSES	25,273	24,897	2,630	3,216	56,018
Net Operating Revenues	34,021	25,853	3,262	4,111	67,249
FINANCIAL INCOME					
Income on investments—net	715	221	29	23	990
Security valuation adjustment	(114)	(18)	(3)	8	(128)
Net Revenues	34,622	26,055	3,288	4,143	68,110
DEBT SERVICE					
Interest on funded debt	823	1,713	183	12,087	14,807
Serial maturities and sinking fund requirements	5,033	1,619	333	12,016	19,002
Short-term note maturities	—	—	—	32,000	32,000
Total Debt Service	5,856	3,332	516	56,103	65,809
TRANSFERS TO AND (FROM) RESERVES	28,766	22,723	2,771	(51,959)	2,301
ANALYSIS OF TRANSFERS					
From General Reserve—to cover net deficit	—	—	—	(51,959)	(51,959)
To General Reserve—to bring to 10% of funded debt	27,726	21,902	2,671	—	52,300
To special reserves	1,039	821	100	—	1,960
NET TRANSFERS	\$28,766	\$22,723	\$2,771	\$(51,959)	\$ 2,301

THE PORT OF NEW YORK AUTHORITY

Statement D
ANALYSIS
OF RESERVE
FUNDS
Year Ended
December 31, 1961

	General Reserve Fund	Special Reserve Fund	Air Terminal Reserve Fund	Marine Terminal Reserve Fund	Combined Total
		(In Thousands)			
BALANCE—January 1, 1961	\$61,082	\$12,512	\$4,468	\$1,001	\$79,065
Income on investments—net	2,587	529	189	42	3,349
Security valuation adjustment	(1,402)	(286)	(102)	(22)	(1,814)
	62,268	12,755	4,555	1,020	80,600
Appropriations for:					
Debt retirement acceleration—payments to sinking funds	—	489	—	—	489
Total	62,268	12,266	4,555	1,020	80,111
Transfers (to) and from Operating Funds:					
Deficit related to Consolidated Bonds	(51,959)	—	—	—	(51,959)
Revenues related to:					
General & Refunding Bonds	27,726	1,039	—	—	28,766
Air Terminal Bonds	21,902	—	821	—	22,723
Marine Terminal Bonds	2,671	—	—	100	2,771
Net transfers	340	1,039	821	100	2,301
BALANCE—December 31, 1961	\$62,609	\$13,305	\$5,376	\$1,121	\$82,412
Represented by:					
Investment in securities	\$61,983	\$13,172	\$5,322	\$1,109	\$81,588
Cash	626	133	53	11	824

See Notes to Financial Statements

Statement E
CAPITAL FUNDS
Assets and
Liabilities

December 31, 1961

	Related to facilities whose net revenues are first pledged for				Combined Total
	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	Consolidated Bonds	
(In Thousands)					
ASSETS					
INVESTED IN FACILITIES					
Completed construction-owned	\$412,752	\$ 10,479	\$ —	\$ 68,807	\$ 492,040
Completed construction-leased	—	342,792	60,662	23,320	426,775
Construction in progress	116,783	50,750	7,003	22,755	197,293
	529,535	404,022	67,666	114,884	1,116,109
INVESTMENT IN SECURITIES	14,188	37,621	2,077	9,420	63,308
CASH	644	1,710	94	428	2,877
OTHER ASSETS	828	50	6	17	903
TOTAL ASSETS	545,198	443,404	69,844	124,750	1,183,197
LIABILITIES					
FUNDED DEBT (Statement I)	46,077	62,829	7,276	509,911	626,093
INTERFUND ACCOUNTS	229,650	348,700	59,200	(637,550)	—
DEBT RETIRED THROUGH INCOME (Statement F)	262,896	23,770	2,724	249,239	538,630
ACCOUNTS PAYABLE AND OTHER LIABILITIES	6,574	8,105	644	3,150	18,474
TOTAL LIABILITIES	\$545,198	\$443,404	\$69,844	\$124,750	\$1,183,197

THE PORT OF NEW YORK AUTHORITY

Statement F
DEBT RETIRED
THROUGH
INCOME

Year Ended
December 31, 1961

	December 31, 1961
(In Thousands)	
DEBT RETIRED THROUGH INCOME	
Balance at January 1, 1961	\$460,897
Net revenues and reserves applied to retirement of debt as detailed in Statement I	51,734
Total	512,631
CONTRIBUTED BY FEDERAL AND STATE AGENCIES IN AID OF CONSTRUCTION	
Balance at January 1, 1961	30,984
Amounts received under Federal Airport Act	452
Amounts received under Federal Highway Act	1,730
Total	33,167
APPROPRIATED RESERVES INVESTED IN FACILITIES	
Balance at January 1 and December 31, 1961	8,468
Total	554,267
LESS:	
COST OF REFUNDING AND CONSOLIDATING DEBT	
Balance at January 1 and December 31, 1961	15,636
Total	\$538,630

See Notes to Financial Statements

Statement G

INVESTMENT IN SECURITIES

December 31, 1961

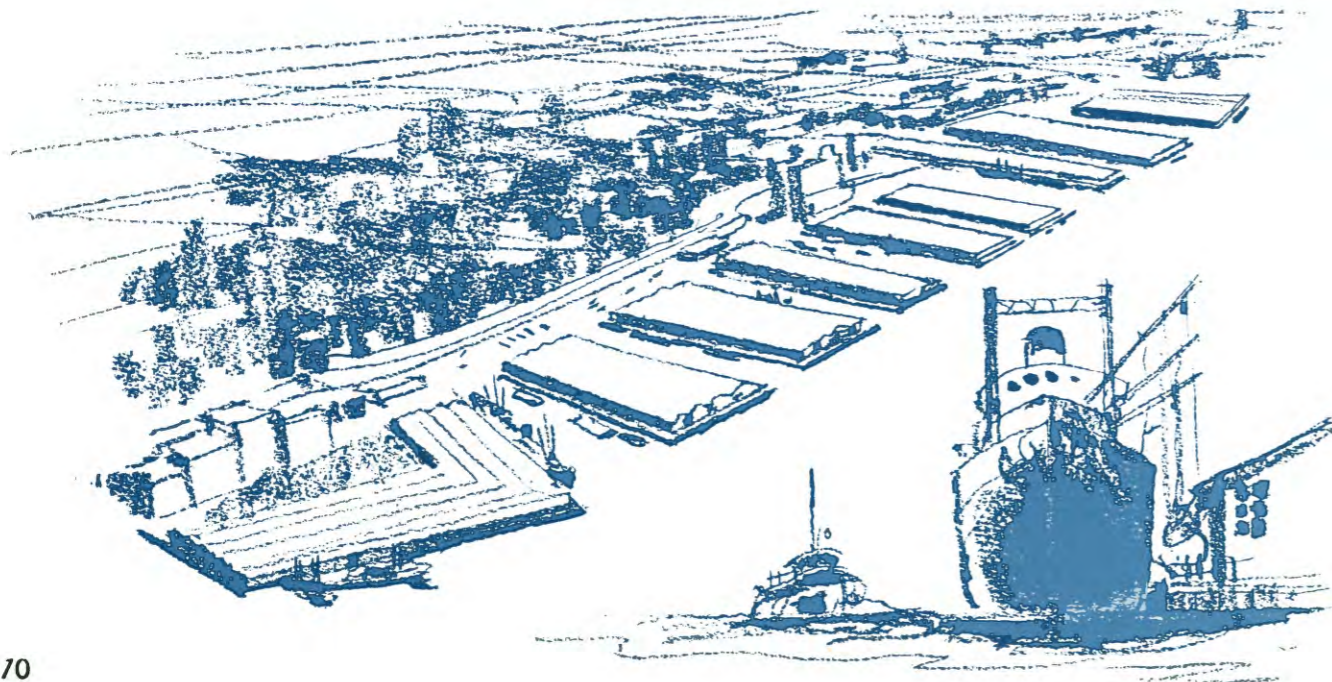
	Principal Amount	Quoted Market Value	Amortized Cost
(In Thousands)			
SHORT TERM			
United States Treasury Securities			
Notes			
3 1/4 % due 2/15/62	\$15,000	\$15,009	\$15,018
3 1/4 % due 8/15/62	6,500	6,506	6,500
3 3/4 % due 11/15/62	11,000	11,065	11,002
3 1/4 % due 11/15/62	19,500	19,524	19,510
Bills			
— due 6/22/62	5,000	4,931	4,933
— due 7/15/62	5,500	5,412	5,416
Adjustment of valuation of securities at Dec. 31, 1961			
Total Short Term	62,500	62,449	62,381
LONG TERM			
United States Treasury Securities:			
Notes			
4 % due 5/15/63	\$ 500	\$ 504	\$ 499
4 3/4 % due 5/15/64	100	102	99
3 3/4 % due 8/15/64	5,000	5,012	5,009
4 7/8 % due 11/15/64	16,000	16,520	16,012
Bonds			
2 1/2 % due 2/15/65	2,500	2,413	2,481
3 % due 8/15/66	3,000	2,910	3,000
3 3/4 % due 11/15/66	1,900	1,858	1,901
3 7/8 % due 5/15/68	17,000	16,978	16,885
2 1/2 % due 12/15/69-64	10,000	8,887	9,969
2 1/2 % due 12/15/72-67	1	1	1
3 7/8 % due 11/15/74	8,000	7,805	8,067
4 % due 2/15/80	500	497	514
3 1/2 % due 11/15/80	1,000	923	996
3 1/4 % due 6/15/83-78	1,200	1,052	1,245
3 1/2 % due 2/15/90	8,222	7,327	8,196
3 % due 2/15/95	600	507	600
3 1/2 % due 11/15/98	7,978	7,040	7,954
The Port of New York Authority Bonds:			
Air Terminal			
—1st Series 3% due 6/15/78	2,781	2,433	2,657
—2nd Series 2 1/2 % due 10/ 1/79	2,000	1,665	1,723
—3rd Series 2.2% due 12/ 1/80	571	439	489
Marine Terminal			
—1st Series 2 1/2 % due 11/ 1/78	466	387	403
—2nd Series 2.2% due 12/ 1/80	51	39	41
Consolidated			
—1st Series 3% due 11/ 1/82	603	527	555
—6th Series 3% due 5/ 1/86	1,007	876	933
—7th Series 3.4% due 9/ 1/86	933	909	909
—8th Series 3.4% due 2/ 1/87	401	390	393
Adjustment of valuation of securities at Dec. 31, 1961			(3,531)
Total Long Term	92,314	88,013	88,013
ACCRUED INTEREST RECEIVABLE			975
TOTAL INVESTMENT IN SECURITIES			\$151,370

See Notes to Financial Statements

Statement H
ANALYSIS OF SINKING FUNDS
Year Ended December 31, 1961

	1961 (In Thousands)
Sinking Fund balances—January 1	\$ —
Additions to Sinking Funds:	
Obligatory payments from operating accounts:	
General and Refunding Bonds	343
Air Terminal Bonds	1,619
Marine Terminal Bonds	333
Consolidated Bonds	2,591
Appropriation from Special Reserve Fund for retirement in anticipation of future requirements	489
Adjustment of cost of Port Authority Bonds to redemption price	346
Total additions	5,723
Deductions from Sinking Funds:	
Mandatory retirements:	
General and Refunding Bonds, Eighth Series	368
Air Terminal Bonds: Second Series	1,257
Third Series	459
Marine Terminal Bonds: First Series	255
Second Series	106
Consolidated Bonds: First Series	471
Sixth Series	612
Seventh Series	510
Eighth Series	1,030
Retirements in anticipation of future sinking fund requirements:	
General & Refunding Bonds: Eighth Series	331
Ninth Series	79
Tenth Series	121
Eleventh Series	122
Total deductions	5,723
Sinking Fund balances—December 31	\$ —

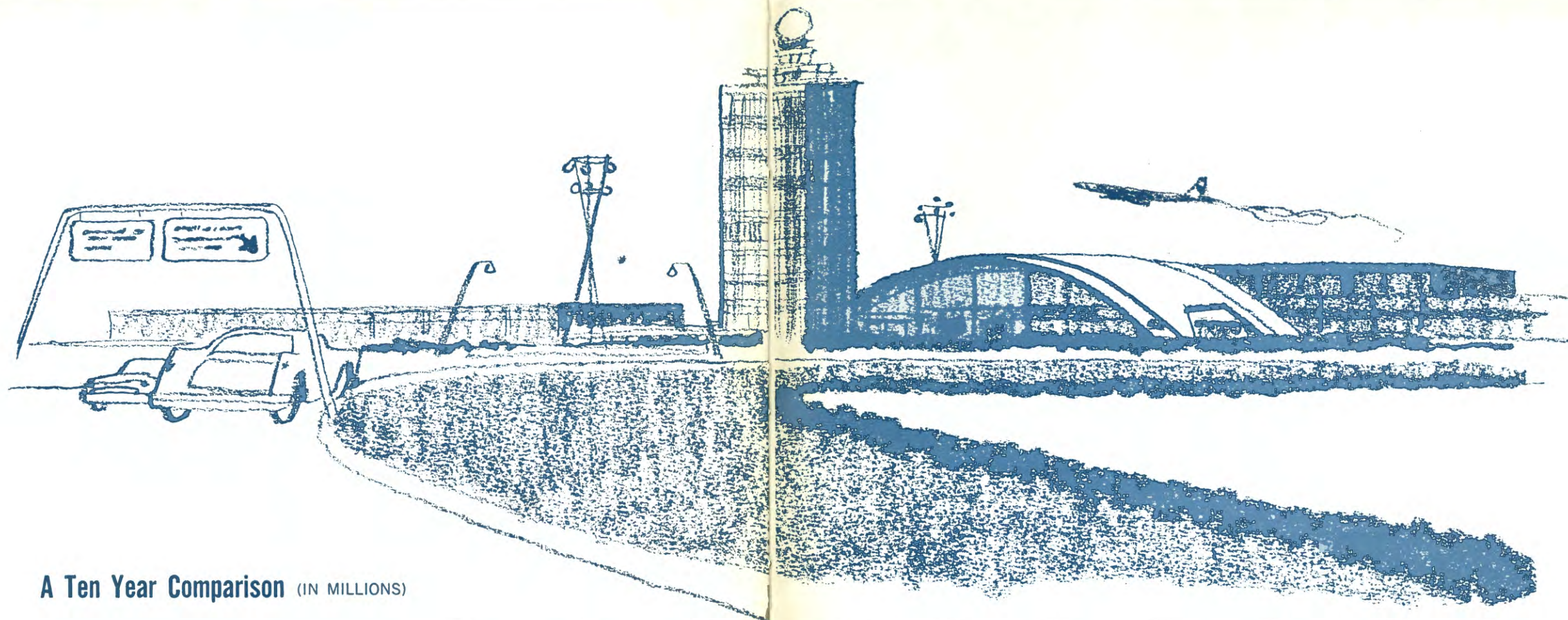
See Notes to Financial Statements



Statement I
FUNDED DEBT
Year Ended December 31, 1961

	January 1, 1961	Issued	Retired	December 31, 1961
GENERAL AND REFUNDING BONDS				
(IN THOUSANDS)				
Eighth Series, 2% due 1974	\$ 14,541	\$ —	\$ 693	\$ 13,848
Ninth Series, 1½% due 1985	7,082	—	79	7,003
Tenth Series, 1¾% due 1985	3,742	—	121	3,621
Eleventh Series, 1¼% due 1986	9,837	—	122	9,715
Twelfth Series, 1½% due 1961-1962	2,180	—	1,090	1,090
Fifteenth Series, 1½% due 1961-1964	14,400	—	3,600	10,800
	51,782	—	5,705	46,077
AIR TERMINAL BONDS				
First Series, 3% due 1978	26,400	—	—	26,400
Second Series, 2½% due 1979	27,621	—	1,233	26,388
Third Series, 2.20% due 1980	10,491	—	450	10,041
	64,512	—	1,683	62,829
MARINE TERMINAL BONDS				
First Series, 2½% due 1978	5,209	—	250	4,959
Second Series, 2.20% due 1980	2,421	—	104	2,317
	7,630	—	354	7,276
CONSOLIDATED BONDS				
First Series, 3% due 1982	28,403	—	467	27,936
Second Series, 2¾% due 1984	20,000	—	—	20,000
Third Series, 1.70% due 1961-1964	6,250	—	2,625	3,625
Fourth Series, 2¾% due 1985	30,000	—	—	30,000
Fifth Series, 2.90% due 1983	16,000	—	—	16,000
Sixth Series, 3% due 1986	27,600	—	600	27,000
Seventh Series, 3.40% due 1986	24,000	—	500	23,500
Eighth Series, 3.40% due 1987	48,000	—	1,000	47,000
Ninth Series, 6% due 1961	1,800	—	1,800	—
3¼% due 1962	1,800	—	—	1,800
3½% due 1963-1975	19,800	—	—	19,800
Tenth Series, 3¾% due 1987	30,000	—	—	30,000
Eleventh Series, 6% due 1961-1962	4,000	—	2,000	2,000
2.40% due 1963	2,000	—	—	2,000
2.50% due 1964-1966	6,000	—	—	6,000
2.75% due 1967-1969	6,000	—	—	6,000
3% due 1970-1978	18,000	—	—	18,000
Twelfth Series, 3¾% due 1988	35,000	—	—	35,000
Thirteenth Series, 6% due 1961-1963	3,750	—	1,250	2,500
3¼% due 1964-1966	3,750	—	—	3,750
3.40% due 1967-1969	3,750	—	—	3,750
3½% due 1970-1977	10,000	—	—	10,000
2¾% due 1978	1,250	—	—	1,250
Fourteenth Series, 3¾% due 1989	55,000	—	—	55,000
Fifteenth Series, 6% due 1961-1963	2,250	—	250	2,000
4¼% due 1964-1965	3,000	—	—	3,000
4% due 1966-1975	17,500	—	—	17,500
4.10% due 1976-1979	7,000	—	—	7,000
Sixteenth Series, 4¼% due 1989	25,000	—	—	25,000
Seventeenth Series, 6% due 1961-1967	10,500	—	1,500	9,000
3.40% due 1968	1,500	—	—	1,500
3.50% due 1969-1975	10,500	—	—	10,500
3.70% due 1976-1979	6,000	—	—	6,000
1% due 1980	1,500	—	—	1,500
Eighteenth Series, 6% due 1962-1964	—	3,150	—	3,150
3% due 1965-1966	—	3,150	—	3,150
3.10% due 1967-1969	—	5,250	—	5,250
3.25% due 1970-1975	—	10,850	—	10,850
3.50% due 1976-1981	—	12,600	—	12,600
	486,903	35,000	11,992	509,911
CONSOLIDATED NOTES				
Series K, 1.65% due December 28, 1961	—	35,000	32,000	—
(Refunded)	—	(3,000)	—	—
	486,903	67,000	43,992	509,911
TOTAL FUNDED DEBT	\$610,827	\$67,000	\$51,734	\$626,093

See Notes to Financial Statements



A Ten Year Comparison (IN MILLIONS)

	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952
REVENUES AND RESERVES										
Gross Operating Revenues	\$ 123.2	\$115.3	\$105.6	\$ 93.1	\$ 84.7	\$ 76.7	\$ 68.6	\$ 64.1	\$ 59.2	\$ 53.8
Operating Expenses	56.0	52.6	45.6	42.5	39.5	37.0	30.4	29.8	26.8	24.4
Net Operating Revenues	67.2	62.6	60.0	50.6	45.1	39.6	38.1	34.2	32.4	29.3
Financial Income										
Income from Investments—Net	4.3	4.6	3.6	2.6	2.2	1.5	1.1	1.1	1.0	.9
Security Valuation Adjustment	(1.9)	6.5	(3.6)	(3.9)	3.0	(2.5)	(1.2)	.4	.3	(.1)
	69.6	73.9	60.0	49.4	50.4	38.7	38.0	35.7	33.8	30.3
Debt Service										
Interest on Funded Debt	14.8	13.2	11.2	9.1	6.1	5.0	4.6	4.4	4.2	4.4
Bond Maturities and Sinking Fund Requirements	19.0	17.4	16.7	11.6	10.1	8.6	9.6	9.3	6.6	6.1
Short-Term Notes and Other Retirements	32.4	36.0	24.9	19.7	15.5	20.3	22.1	20.3	24.5	21.5
Net Increase in Reserves	3.3	7.2	7.1	8.8	18.6	4.5	1.6	1.6	(1.6)	(1.9)
FINANCIAL POSITION AT YEAR END										
Invested in Facilities	1,116.1	1,012.5	920.2	816.7	725.3	616.2	531.7	476.2	432.8	400.6
Construction and Other Funds	131.0	162.0	153.8	137.4	100.3	65.8	71.2	59.3	65.4	65.7
	1,247.1	1,174.6	1,074.0	954.1	825.7	682.1	602.9	535.6	498.2	466.4
Funded Debt	626.0	610.8	574.8	507.9	420.6	324.8	279.9	246.7	241.6	241.6
Debt Retired Through Income and Reserves	\$ 621.0	\$563.7	\$499.2	\$446.1	\$405.0	\$357.2	\$322.9	\$288.8	\$256.6	\$224.7
Debt Retired Through Income	\$ 538.6	\$484.7	\$427.3	\$381.4	\$349.2	\$320.0	\$290.3	\$257.8	\$227.3	\$193.7
Reserves	82.4	79.0	71.8	64.6	55.8	37.1	32.6	30.9	29.3	30.9

Funded Debt Amortization 1962-1989

(IN THOUSANDS)

Year	Debt Service Total all Issues			Amortization			
	Total	Par Value \$626,093 Interest	Amortization	Consolidated Bonds	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds
1962	\$ 40,816	\$ 19,815	\$ 21,001	\$ 12,219	\$ 5,426	\$ 2,988	\$ 368
1963	40,576	19,198	21,378	13,129	4,689	3,184	376
1964	40,672	18,518	22,154	13,813	4,700	3,256	385
1965	39,919	17,837	22,082	17,228	1,122	3,339	393
1966	39,926	17,113	22,813	17,635	1,348	3,428	402
1967	39,653	16,376	23,277	17,861	1,499	3,504	413
1968	39,136	15,662	23,474	17,928	1,530	3,597	419
1969	39,395	14,935	24,460	18,259	2,093	3,679	429
1970	39,039	14,190	24,849	18,319	2,319	3,772	439
1971	38,626	13,428	25,198	18,516	2,360	3,873	449
1972	38,762	12,644	26,118	19,297	2,401	3,960	460
1973	38,652	11,831	26,821	19,843	2,442	4,065	471
1974	38,281	10,989	27,292	21,492	1,144	4,174	482
1975	38,202	10,106	28,096	22,155	1,161	4,286	494
1976	36,365	9,227	27,138	21,054	1,177	4,401	506
1977	35,744	8,365	27,379	21,148	1,193	4,520	518
1978	35,276	7,441	27,835	23,942	1,211	2,531	151
1979	33,552	6,516	27,036	24,987	1,228	667	154
1980	30,605	5,666	24,939	23,692	1,247	—	—
1981	28,721	4,888	23,833	22,569	1,264	—	—
1982	24,867	4,198	20,669	19,387	1,282	—	—
1983	24,558	3,538	21,020	19,720	1,300	—	—
1984	24,051	2,853	21,198	19,880	1,318	—	—
1985	22,879	2,137	20,742	20,100	642	—	—
1986	21,908	1,408	20,500	20,500	—	—	—
1987	16,100	700	15,400	15,400	—	—	—
1988	7,082	282	6,800	6,800	—	—	—
1989	4,048	48	4,000	4,000	—	—	—
TOTAL	\$897,411	\$269,909	\$627,502	\$510,873	\$46,096	\$63,224	\$7,309

NOTE: Includes all mandatory retirement payments (including sinking fund requirements and serial maturities) whether payable from revenues or other sources, upon the assumptions 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.

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The Port of New York Authority—Main Offices
111 Eighth Avenue, New York 11, New York

The loading and unloading of steamships is representative of the diverse job activities at the Port Authority's twenty-two land, sea and air terminal and transportation facilities, which in 1961 provided employment for more than 60,100 people who derived an annual income of \$406,175,000.



