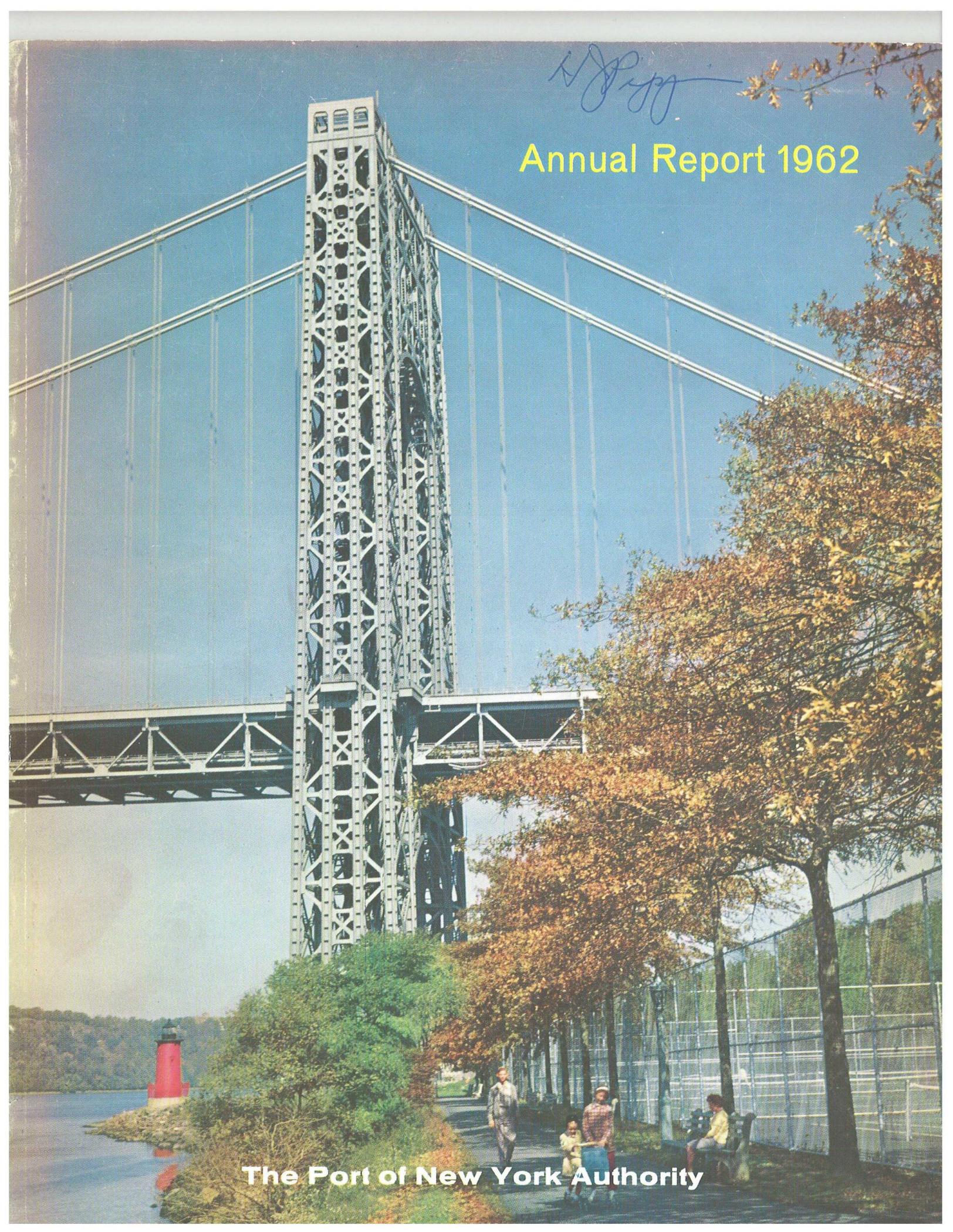
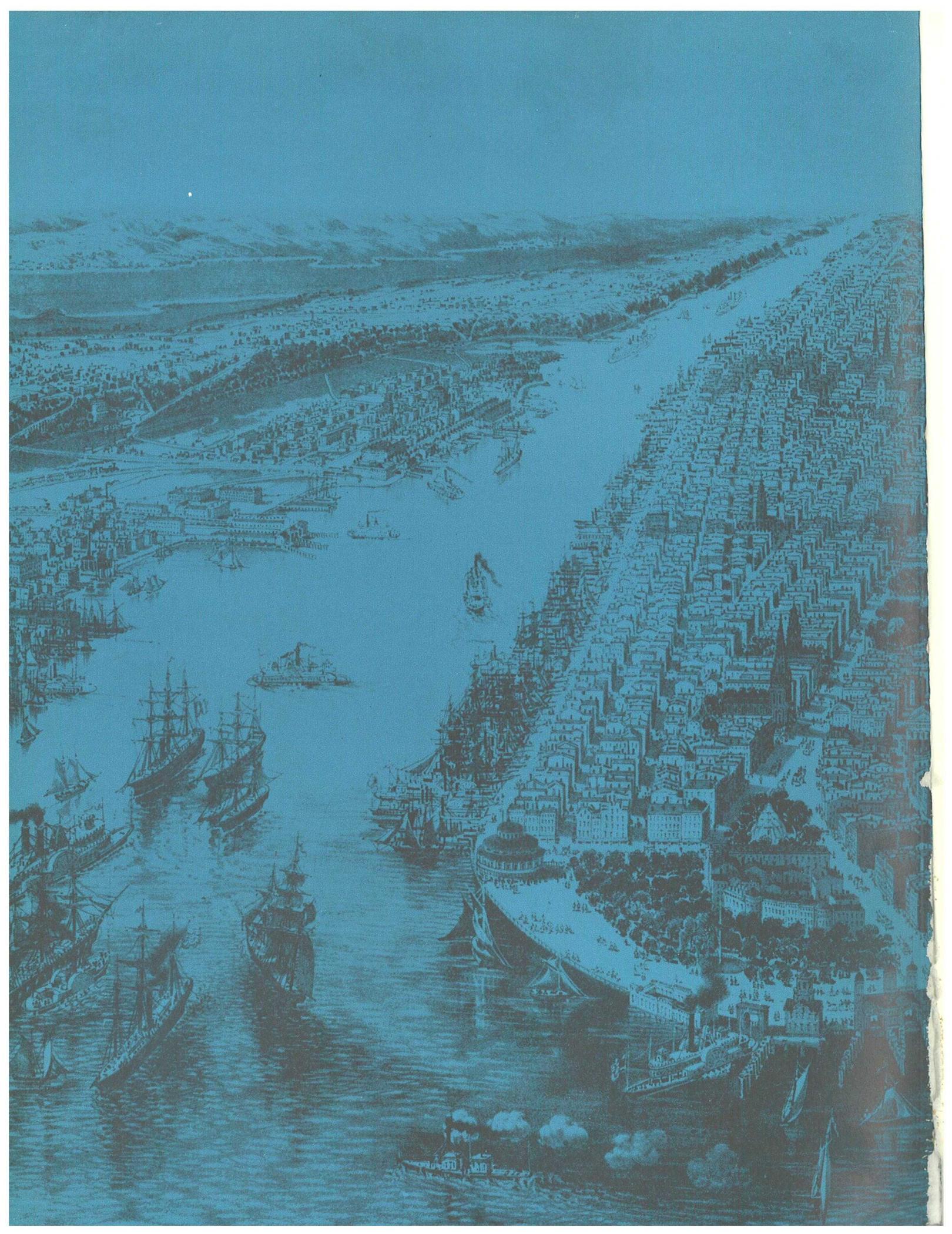


*K. J. Papp*

# Annual Report 1962



**The Port of New York Authority**



# THE PORT OF NEW YORK AUTHORITY

## ANNUAL REPORT • 1962

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

### COMMISSIONERS

S. Sloan Colt, CHAIRMAN

Howard S. Cullman, HON. CHAIRMAN

James C. Kellogg III, VICE CHAIRMAN

John J. Clancy

Charles W. Engelhard

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Joseph A. Martino

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W. Paul Stillman

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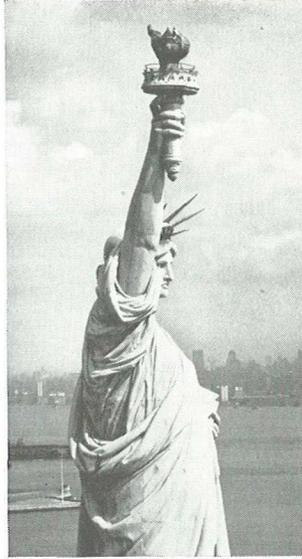
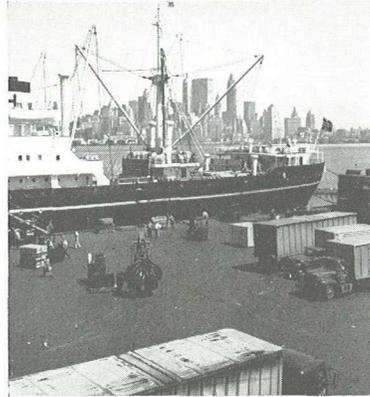




*Honorable*  
RICHARD J. HUGHES  
*Governor of the*  
STATE OF NEW JERSEY



*Honorable*  
NELSON A. ROCKEFELLER  
*Governor of the*  
STATE OF NEW YORK



In 1921, the States of New York and New Jersey entered into a Compact under which the States pledged “. . . . *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 implement this 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

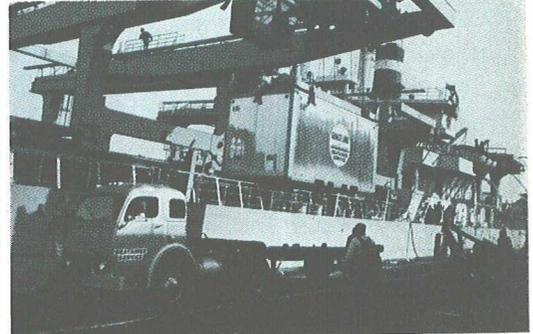
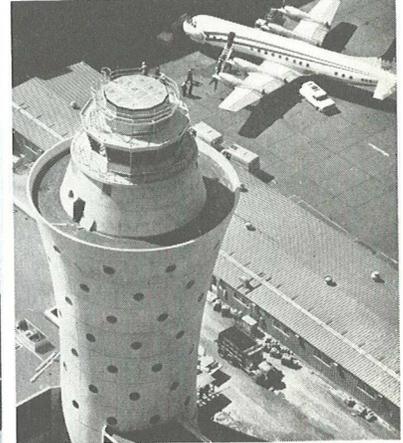
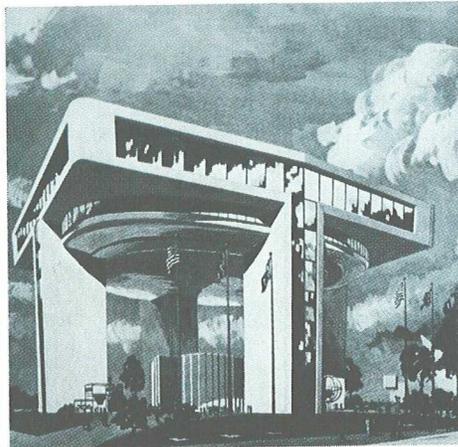
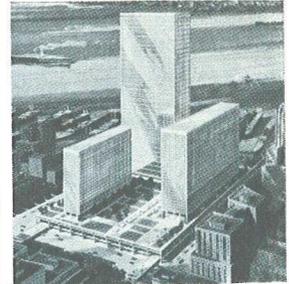
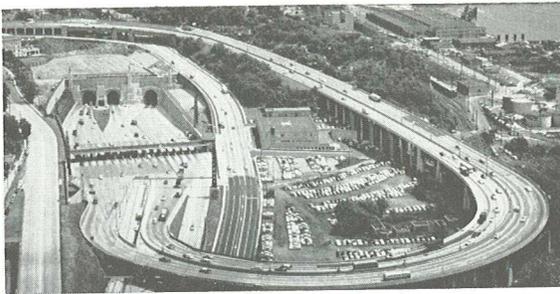
## The Story of The Port Authority

Governors of their respective states with the advice and consent of the State Senates.

■ 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.

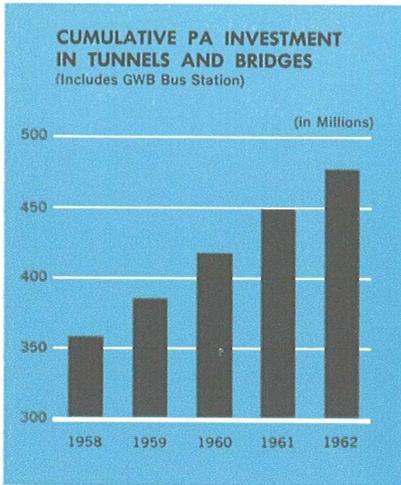
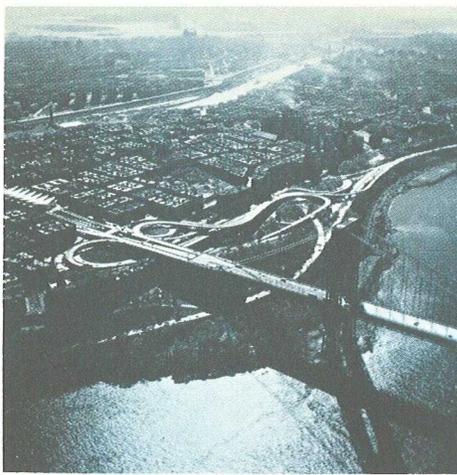
■ According to the Compact: “*The Port Authority shall constitute a body both corporate and politic with full power and authority . . .*” “. . . *to purchase, construct, lease and/or operate any terminal or transportation facility within said (port) district; and to make charges for the use thereof;*” . . . *and for any 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 interstate 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, bridges and tunnels, and the Hudson Tubes. ■ **A SELF-SUPPORTING AGENCY** In the States’ mandate to their agency to plan for and develop the Port of New York, it is stated as a basic principle that facilities are to be provided on a self-supporting basis. The Compact stipulates that: “*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 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 airports and two heliports, six marine terminal areas, two union motor truck terminals, a motor truck terminal for rail freight and a union bus terminal. In 1962, the operation of the Hudson and Manhattan Railroad, now known as the Port Authority Trans-Hudson System, was also brought within the scope of the agency’s responsibilities. In addition, the Port Authority appears before governmental regulatory bodies and maintains Trade Development Offices to promote and protect Port commerce. ■ All Port Authority activities are carried on in accordance with the policies of its Board of Commissioners. 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 1962 is contained in the following pages.



## The Year in Brief

**TUNNELS AND BRIDGES:** The lower level of the George Washington Bridge was dedicated on August 29th. This marked the completion of a \$145,000,000 expansion project which increased the capacity of the bridge by 75 per cent. Altogether, the six tunnels and bridges operated by the Port Authority served a record total of 101,139,703 vehicles during the year. ■ **PATH AND WORLD TRADE CENTER:** On September 1, the Port Authority Trans-Hudson Corporation began operating and modernizing the Hudson Tubes, following bi-state legislative approval earlier in the year of the entire Hudson Tubes-World Trade Center Project, and following the granting of an order by the Supreme Court of New York by which title to the Hudson Tubes was vested in PATH. At the same time, work was started on plans and architectural designs for the World Trade Center. Subsequent to this approval, the constitutionality of the legislation was challenged in the courts and is presently in litigation. Notable progress was made in the planning and leasing of the Transportation Section of the New York World's Fair, and in programs designed for the promotion of world trade and the protection of the Port's competitive position in the field of international commerce. ■ **NEW YORK STATE RAILROAD EQUIPMENT PROGRAM:** The last of 53 new commuter cars was delivered to the New York Central Railroad in 1962, and 30 new cars are scheduled for delivery to the Long Island Rail Road in 1963 under the New York State Railroad Equipment Program. ■ **MARINE TERMINALS:** The first of five planned stages in the \$150-million development of the 703-acre Elizabeth-Port Authority Piers was dedicated on August 15th. The overall development program for the six Port Authority marine terminals will cost approximately \$425,000,000. ■ **TERMINALS:** At the Port Authority Bus Terminal, expansion and alteration operations had been three-quarters completed by the end of 1962 and a lease was signed in May under which The Greyhound Corporation will move all its Manhattan bus operations to the Terminal. Uptown, the new George Washington Bridge Bus Station was virtually completed by the end of the year and was put into operation on January 17, 1963. ■ **AIR TERMINALS:** The Port Authority's Regional Air Terminal System set new records in all categories of air traffic in 1962. Substantial progress was made on the construction of LaGuardia Airport's \$115-million redevelopment and expansion program and on the expansion of the Cargo Center at New York International Airport. At the latter facility, two new unit terminals were dedicated in 1962, bringing to ten the number of terminal buildings now in operation in Terminal City. ■ **ADMINISTRATION:** At the Annual Meeting of the Board, S. Sloan Colt was re-elected for his fourth term as Chairman of the Port Authority; James C. Kellogg III was re-elected for his third term as Vice Chairman; and Howard S. Cullman was re-elected for an eighth term as Honorary Chairman. At the same meeting, Austin J. Tobin was continued in office as Executive Director, a post he has held since 1942, and Sidney Goldstein was retained as General Counsel for his eleventh term. In November, the Supreme Court of the United States voted to let stand without further review the decision of the Court of Appeals for the District of Columbia which unanimously reversed the contempt conviction of Executive Director Austin J. Tobin. ■ **FINANCE:** Port Authority Bonds marketed during 1962 were valued at \$120,000,000. Gross operating revenues amounted to \$135,059,000, while investment in facilities was increased to a total of \$1,224,227,000.

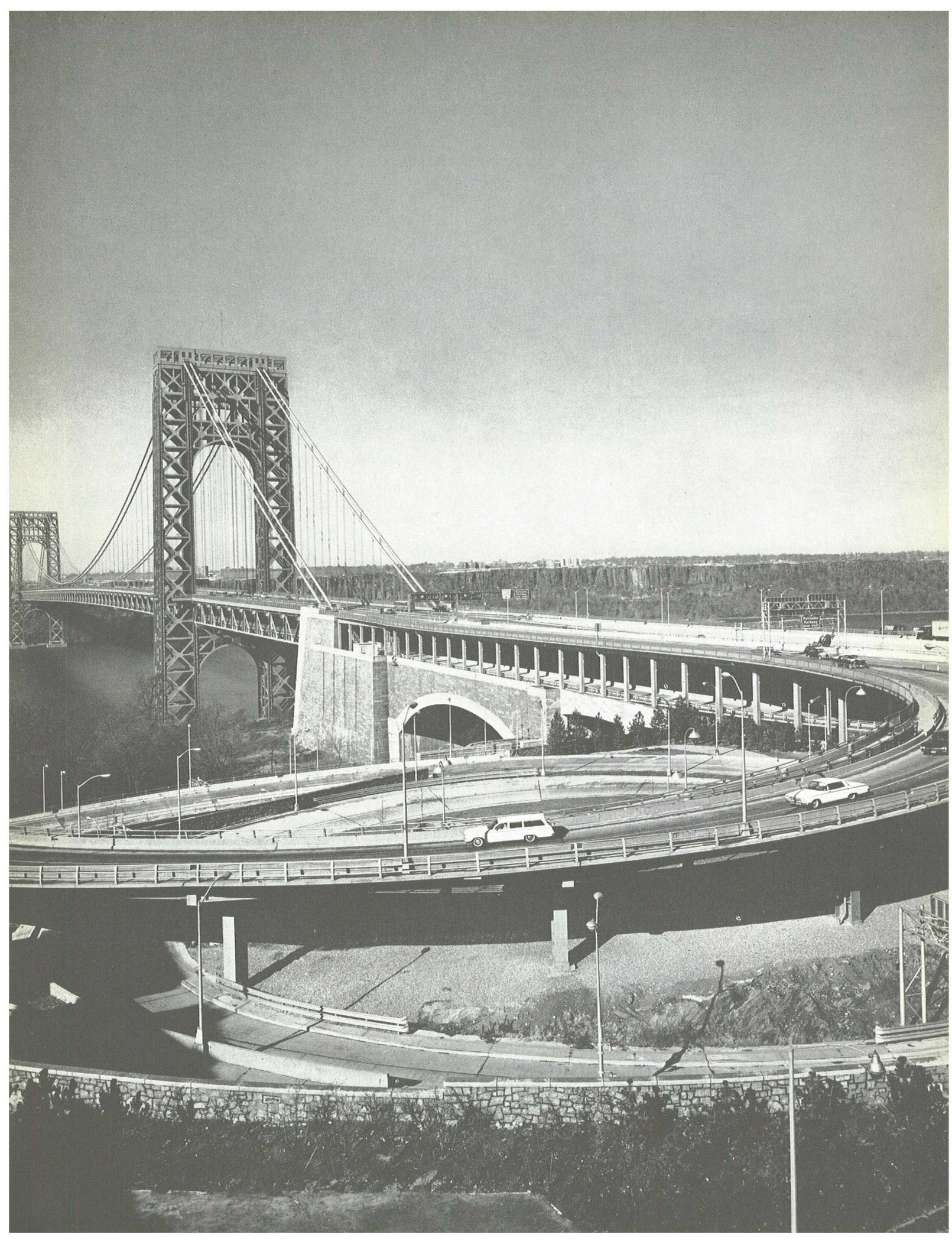


**T**RAFFIC volumes at the two tunnels and four bridges operated by the Port Authority increased in 1962 to a total of 101,139,703 vehicles. This is 5,485,420 (or 5.7 per cent) higher than 1961, and 4,933,042 (or 5.1 per cent) higher than 1960, the previous peak period. With substantial increases registered last year at each of the six crossings—the Holland Tunnel, Lincoln Tunnel, George Washington Bridge, Bayonne Bridge, Goethals Bridge and Outerbridge Crossing—the total number of vehicles handled by these facilities in 1962 exceeded the 100-million mark for the first time. Most of this upswing was due to a sharp rise in automobile volumes at the George Washington Bridge and the Lincoln Tunnel. This increase was largely a result of the comparatively mild winter of 1962—coupled with normal growth and redirection from other facilities.

The George Washington Bridge served 40,547,733 vehicles during 1962, an increase of 6.7 per cent over the 37,998,686 vehicles in 1961. An important factor in this increase was the opening in the Spring of the George Washington Bridge Expressway across upper Manhattan and the opening a few months later of the bridge's six-lane lower level. The new expressway attracted to the bridge many motorists who, after the closing of the 179th Street tunnel in 1961, had shifted to other facilities or to other modes of travel over the Hudson River.

The opening of the lower level eliminated much of the congestion at the New Jersey entrance to the bridge, and increased the use of the Palisades Interstate Parkway. The expanded bridge facilities will become even more useful to motorists in 1963 and 1964 when the States of New York and New Jersey complete new roads leading to and from the George Washington Bridge. (The Alexander Hamilton Bridge over the Harlem River was dedicated in January, 1963, and work on other roadways is in progress.)

## Tunnels and Bridges





*On the New York side of the George Washington Bridge a system of north and south loop ramps provides motorists with wider and more direct connections to both levels of the bridge and to major highways leading to destinations north, south and east of the expanded structure. To the left of the anchorage can be seen the beginning of the 12-lane, depressed George Washington Bridge Expressway which leads to the new George Washington Bridge Bus Station, the Harlem River Drive, Amsterdam Avenue, and the Cross Bronx Expressway.*

Gains in total traffic volumes during the year were reflected in higher gross revenues from the six Port Authority crossings, amounting to \$52,631,000, or \$2,498,000 over last year's figure. At the same time, the Port Authority's total investment in the six facilities increased from \$448,865,000 to \$475,964,000.

#### *George Washington Bridge Lower Level*

The new lower level was opened to traffic on August 29, 1962, and the George Washington Bridge became the world's only 14-lane bridge. The Governors of New Jersey and New York dedicated the \$145,000,000 highway complex which had been under construction since 1958.

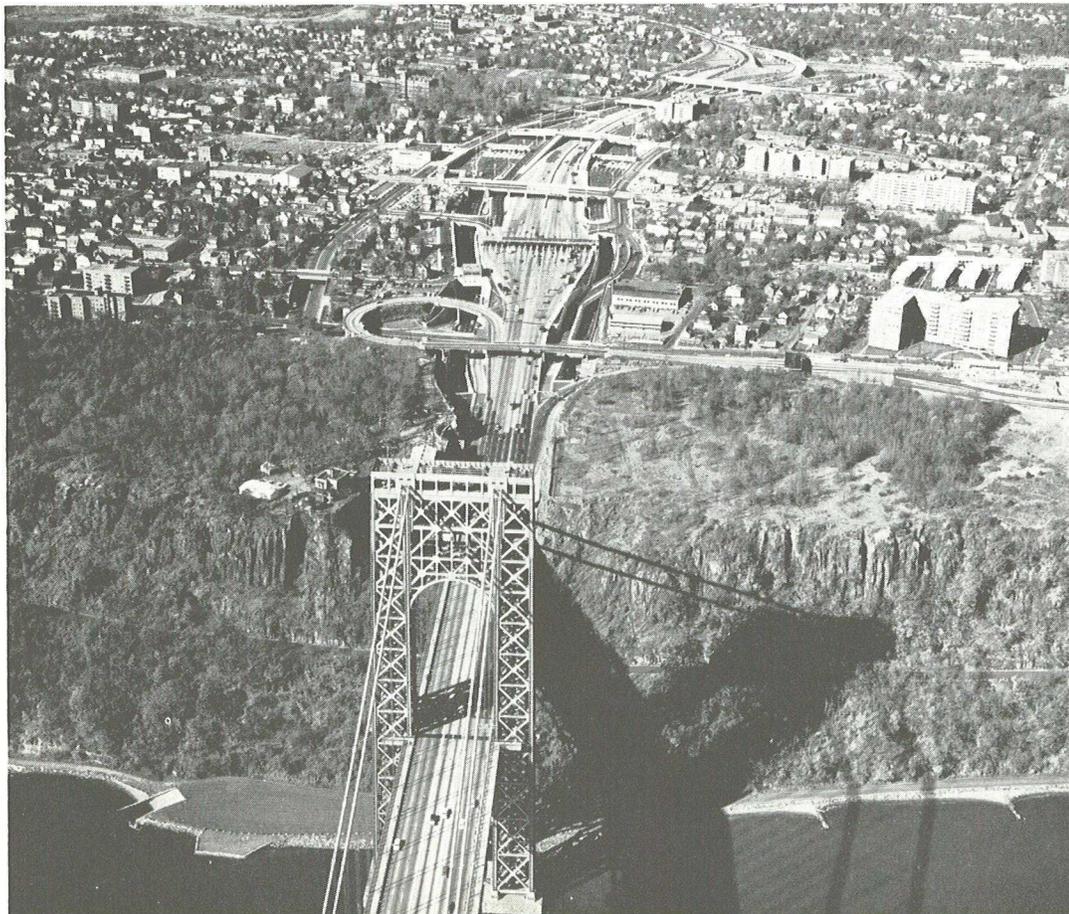
The lower level project included new approach roadways in New York and New Jersey, ten bridges to carry local traffic over the main approach roadways, two three-

lane tunnels under the main bridge plaza in New Jersey, and a twelve-lane expressway across Manhattan. Also included as an integral part of the approach system was the George Washington Bridge Bus Station in New York. (See Terminals.)

The project was carried forward with a minimum of inconvenience to the public. Each phase of the work had been planned so that the capacity of the existing approaches could be maintained throughout the four-year construction period, when an average of 100,000 vehicles a day crossed the bridge.

The original bridge, built in 1931, had been designed to permit the addition of a lower level whose construction was a major recommendation of the Joint Study of Arterial Highway Facilities. The study was conducted by the Port Authority and the Triborough Bridge and Tunnel Authority in 1954. The 1955 Joint Study Report called for the construction of two major bypass routes around Manhattan to accommodate the many motorists with destinations outside the central business district. One of these bypass routes was to be provided by means of a lower level to the George Washington Bridge leading to a new expressway across Manhattan, a new bridge over the Harlem River (the Alexander Hamilton Bridge), a Cross-Bronx Expressway (virtually completed), and the Throgs Neck Bridge (opened in January, 1961). The other bypass route was to be provided by a bridge across the Narrows, between Staten Island and Brooklyn. This crossing is being built by the Triborough Bridge and Tunnel Authority, and will be served by associated approach routes in both boroughs.

The progress of the George Washington Bridge expansion program was characterized throughout by close coordination with state and municipal officials responsible for the development of arterial highway projects. In New York, liaison was maintained with the U.S. Bureau of Public Roads, the New York State Department of Public Works, the Triborough Bridge and Tunnel Authority, the New York City



*The New Jersey approach system provides direct connections to and from the George Washington Bridge and Highways US-1, US-9, US-9W, US-46, NJ-4, the Palisades Interstate Parkway, and the Bergen Expressway (scheduled to open in 1964). The portals of two, three-lane lower level approach tunnels can be seen in the broad plaza area, and beyond them, the new bridges which carry local north and south-bound traffic over the main approach roadways.*

## Crossings

TRAFFIC (in thousands)		
<b>ALL CROSSINGS</b>	<b>1962</b>	<b>1961</b>
AUTOMOBILES .....	84,199	79,127
BUSES .....	3,542	3,465
TRUCKS .....	13,399	13,062
<b>TOTAL VEHICLES .....</b>	<b>101,140</b>	<b>95,654</b>
<b>GEORGE WASHINGTON BRIDGE</b>		
AUTOMOBILES .....	36,784	34,459
BUSES .....	659	660
TRUCKS .....	3,105	2,880
<b>TOTAL VEHICLES .....</b>	<b>40,548</b>	<b>37,999</b>
<b>LINCOLN TUNNEL</b>		
AUTOMOBILES .....	22,826	21,323
BUSES .....	2,730	2,653
TRUCKS .....	4,023	3,928
<b>TOTAL VEHICLES .....</b>	<b>29,579</b>	<b>27,904</b>
<b>HOLLAND TUNNEL</b>		
AUTOMOBILES .....	15,938	15,233
BUSES .....	113	113
TRUCKS .....	5,308	5,195
<b>TOTAL VEHICLES .....</b>	<b>21,359</b>	<b>20,541</b>
<b>STATEN ISLAND BRIDGES</b>		
AUTOMOBILES .....	8,652	8,112
BUSES .....	40	39
TRUCKS .....	962	1,059
<b>TOTAL VEHICLES .....</b>	<b>9,654</b>	<b>9,210</b>

Transit Authority, and various offices and departments of the City of New York. In New Jersey, construction of new direct connections between the George Washington Bridge and highways U.S. 1, 9, 9W, and 46, N.J. 4, the Palisades Interstate Parkway, and the Bergen Freeway required close cooperation between the Port Authority and the U.S. Bureau of Public Roads, the New Jersey State Highway Department, and officials of the Borough of Fort Lee and Bergen County.

### *The Staten Island Bridges*

The scheduled completion in 1965 of the Verrazano Narrows Bridge, as recommended by the Joint Study, is certain to produce an upsurge in traffic activity in areas served by the Port Authority's Staten Island Bridges. To provide for this increase, the Port Authority is constructing improved approach roads and plazas at the Bayonne and Goethals Bridges. Each of these facilities will be linked directly to the Narrows Bridge via the new expressways being built across Staten Island by the State of New York. In New Jersey, connections will be made with a complex of new roads. When completed by the State of New Jersey, they will speed traffic through its highly industrialized areas.

The Bayonne Bridge improvements will comprise a new Staten Island Plaza, including a new, one-story administration building. The expanded plaza will connect with the new Willowbrook Expressway under construction by the State of New York, as well as with local streets. In addition, the immediate approaches to the bridge in Staten Island will be straightened to eliminate an existing curve. The new six-lane plaza, expandable to 12 lanes, is scheduled for completion in 1964, in advance of the opening of the Willowbrook Expressway.

At the Goethals Bridge, a new twelve-lane plaza and a new administration building will be the principal features of the expansion and improvement program. The administration building will be an integral part of the plaza.

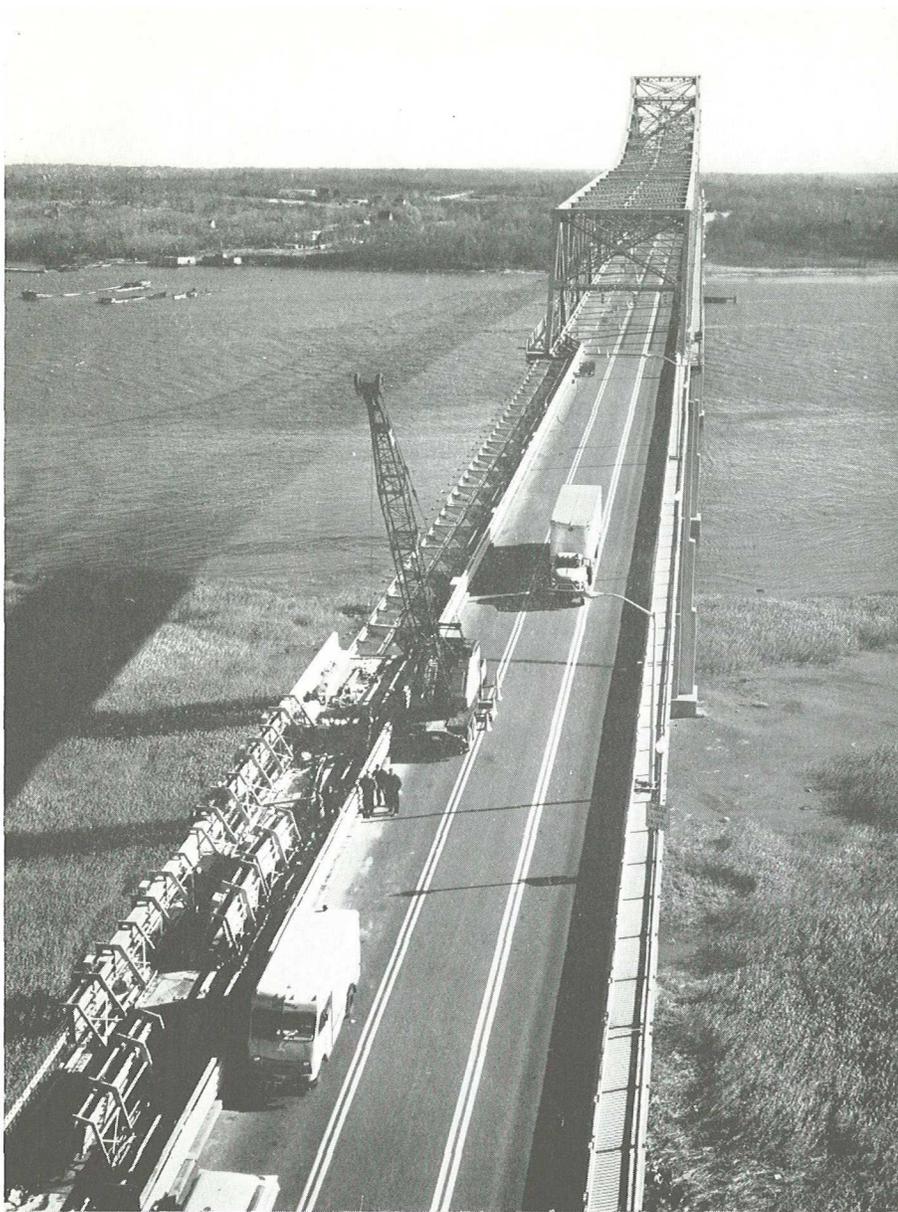
Related to this over-all expansion is the rehabilitation and modernization program for all of the Staten Island facilities, to be completed before the opening of the Verrazano Narrows Bridge. The installation of new bridge roadways and modern mercury vapor lights at the Outerbridge Crossing and the Bayonne Bridge are two of the items of rehabilitation work now in progress.

### *Operating Improvements*

In order to free our police officers for traffic duty and other assignments requiring their skills and training, a staff of 80 women toll collectors, chosen from more than 1,700 applicants, assumed responsibility for the collection of tolls at the Lincoln Tunnel on October 15, 1962.

In the early days of the Port Authority, toll collection was a large part of police operations. Later, however, the development and operation of airports, marine terminals and bus terminals introduced substantial changes in the duties of our police, and created a constant need for additional personnel. By the middle of 1962, about a fourth of the 1200-man force was assigned to tolls duty. If this duty were to continue to be performed by police officers, it would be necessary to recruit a substantial number of police in the next five years to handle increasing traffic and to replace the police scheduled for retirement. This recruitment problem was simplified by the use of civilian toll collectors who do not have to meet the rigid physical and other qualifications for police officers.

As normal attrition in the police force occurs, or as additional police are required for other duties, more women toll collectors will be hired to extend the program to other Port Authority crossings.

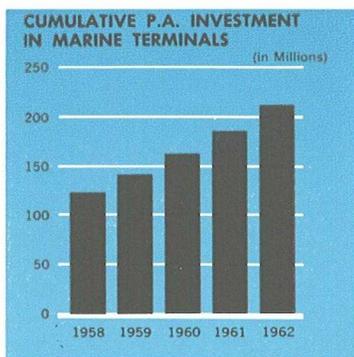
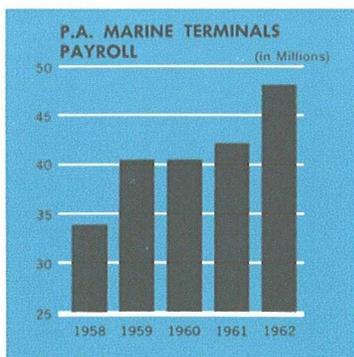
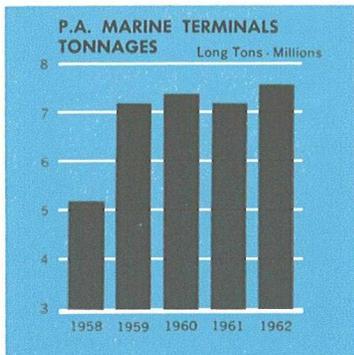


*The Outerbridge Crossing between Perth Amboy and Staten Island, opened in 1928, is now undergoing rehabilitation and modernization. The improvements include the installation of modern mercury vapor lighting, the replacement of five-foot-wide strips adjacent to each curb along the entire two-mile length of the bridge, the widening of the 8,000 feet of viaduct approach roadways in New York and New Jersey from 42 feet to 50 feet to provide four 12½-foot lanes in place of the existing four 10½-foot lanes, and the building of new parapet walls in place of the existing steel bridge handrails. All work is scheduled for completion by the end of 1963.*

### *Hazardous Cargo Inspections*

In view of the special precautions which must always be taken with respect to the transportation of dangerous articles, the Port Authority has established rules and regulations governing the passage of such commodities over its facilities. For obvious reasons, limitations on the movement of this type of cargo through our tunnels are especially restrictive. In most instances, however, the use of the upper level of the George Washington Bridge and the three Staten Island Bridges is permitted when goods of a hazardous character are shipped in conformity with ICC regulations. Because of their semi-enclosed configuration, the new lower level of the George Washington Bridge and the George Washington Bridge Expressway are governed by the same restrictions applied to the Holland and Lincoln Tunnels.

Port Authority police officers are assigned regularly to spot-check trucks which may be carrying dangerous cargo. In 1962, approximately 480,000 vehicles were so inspected. Beyond direct enforcement, a substantial amount of educational work is done by the Port Authority staff among firms which carry or ship flammable, combustible, or radioactive materials. During the past year, about 300 visits were made to such organizations to explain the hazardous cargo regulations.



To encourage the continued flow of vital foreign commerce through the Port of New York, the Port Authority has undertaken a \$425-million program for the development of its six marine terminals—Port Newark, the Elizabeth-Port Authority Piers and the Hoboken-Port Authority Piers in New Jersey, and the Brooklyn-Port Authority Piers, the Erie Basin-Port Authority Piers, the Port Authority Grain Terminal and the Columbia Street Piers in New York. These modern, self-supporting terminals—which provide about 28 per cent of the total deep water berths in the Port of New York—handled some 34 per cent of the Port’s total foreign general cargo during 1962. Their operations resulted in gross revenues to the Port Authority of \$14,821,000.

During the year, the Port Authority expended \$25,300,000 in developing and modernizing the six waterfront facilities, thus increasing to \$210,800,000 the amount it has invested in marine improvements since 1945. To continue this vital program, the Port Authority has budgeted \$37,404,000 for the coming year.

At year’s end, the Port Authority’s marine terminals led the port and nation in the handling of containerized general cargo and continued to lead the Port of New York in the handling of certain commodities, with 51 per cent of the lumber, 91 per cent of foreign car imports, 54 per cent of scrap metal exports, and 17 per cent of the wood pulp.

In 1962, more than 7,669,200 long tons of cargo crossed Port Authority piers and wharves, an increase of 6.3 per cent over the preceding year. These cargoes represented a value of about \$4,551,718,400. Included in this total of goods shipped were more than 6,394,700 tons of high-value foreign and domestic general cargo.

At our six marine terminals, over 8,670 people earning \$48,222,000 were employed during 1962. An additional 1,150 were engaged in construction projects there, earning about \$9,210,000.

Major marine terminal projects completed during the year included a \$20,000,000 portion of the first phase of the \$150,000,000 development of the Elizabeth-Port Authority Piers, four new cargo distribution buildings and a general purpose building at Port Newark, and a \$1,000,000 terminal supporting facility for Piers 1, 2, and 3 at the Erie Basin-Port

## Marine Terminals





*Port Newark, still the busiest of the Port Authority's marine terminals, and the Elizabeth-Port Authority Piers are shown as they appeared in December, 1962. Several months earlier, the Elizabeth-Port Authority Piers had dedicated the opening of the first stage of its \$150,000,000 development project. The Master Plan for the Elizabeth facility calls for the ultimate construction of 24 deep-sea berths.*

Authority Piers. Projects started during the year included work on four new piers in Brooklyn, the \$34,000,000 second phase in Elizabeth, preliminary work on a ground-level cargo distribution building at Port Newark, and the rehabilitation of the breakwater at Erie Basin.

#### *Elizabeth-Port Authority Piers*

On August 15, 1962, the Port Authority dedicated the 703-acre Elizabeth-Port Authority Piers. The ceremony marked the opening of the 109-acre first stage of the \$150,000,000 project and the arrival of the first vessel, Sea-Land Service's S.S. Elizabethport.

The construction of the \$32,000,000 first stage of the development was started in January, 1960, following the dredging of the new Elizabeth Channel. Four berths have been completed along 2,500 feet of bulkheading on the south side of the Elizabeth Channel. A fifth berth, 815 feet long, at the head of the channel, will be completed in May, 1963. The four completed berths are backed by 36 acres of paved upland area.

Under a 20-year lease, Sea-Land Service, Inc., a pioneer in container shipping, has established its east coast containership terminal on 83 acres of the 109-acre first stage. Their modern new terminal will include all five berths, supporting paved upland area for the marshalling of containers, and seven buildings. The buildings are being constructed by Sea-Land and financed by the Port Authority. The first struc-

ture completed was a \$600,000 Marine Operations Building with 15,000 square feet of space on three levels. Nearing completion at the end of 1962 were the Control Building and the Maintenance Garage.

A \$1,600,000 truck terminal covering 108,000 square feet and a \$5,000,000 three-story, Sea-Land Service office building of 190,000 square feet were also under construction during the year. Two other small service buildings will complete the Sea-Land complex, which will be in full operation in October, 1963.

The second phase of the Elizabeth development, estimated to cost \$34,000,000, was begun in April 1962, and is scheduled for completion in 1965. Its 210 acres will provide five berths, two transit sheds serving four berths, 16 distribution buildings and about 60 acres of paved upland 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. In addition, an average of 750 construction workers will earn an estimated \$5,000,000 a year during the 20-year construction program.

#### *Brooklyn-Port Authority Piers*

By the end of 1962, the Brooklyn-Port Authority Piers development comprised eight new piers in operation and four more under construction.



*The loading of oil field truck bodies gets underway at the Brooklyn-Port Authority Piers.*

Work completed during 1962 on Piers 9A and 9B included the demolition of existing upland buildings and three old piers, the driving of piles, and the start of bulkhead and deck construction. These new piers will provide four vessel berths, 353,600 square feet of pier shed space, and 312,000 square feet of upland area.

In the Fulton Terminal area of the Brooklyn facility, construction of new Pier 5 got under way in May with demolition of existing pier sheds. The pier, to be completed in January 1964, will be 650 feet long on the north side, 625 feet long on the south side, and will be 375 feet wide.

Early in 1962, the Commissioners authorized the construction of new Pier 12 in the Atlantic Basin to replace the obsolete Pier 38. The new 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 backed by about 158,000 square feet of upland area. The construction of the deck was started in June, 1962. Remaining construction contracts will be let early in 1963, so that all field work will be completed at the end of 1963.

As part of the Pier 12 project, a new rail classification yard for the New York Dock Railway is being constructed just south of Atlantic Basin. A new \$590,000 rail transfer building, to be used in connection with the new rail yard, was completed by the Port Authority in January, 1963.

During the year, the Brooklyn-Port Authority Piers provided more than 2,200 jobs with a payroll of \$12,310,700. In addition to direct waterfront employment, more than 550 people earned \$4,410,000 on construction jobs at the facility.

#### *Port Newark*

Following the growth trend which began when the Port Authority assumed responsibility for the operation of Port Newark in 1948, this facility in the past year expanded in cargo volume by 81,400 tons and generally increased shipping services to accommodate further growth. The construction and improvement programs increased the Port Authority's investment in this busy marine terminal to \$72,900,000 by the end of 1962.

Plans for Port Newark's first regularly scheduled passenger service were announced in September by the Grace Line. Operation of the line's new highly-specialized cargo-passenger liners began in February, 1963 when Grace put into service the first of four such vessels to be used on routes from Port Newark to Colombia, Panama and Ecuador. In addition to their capacity to provide first-class accommodations for about 130 passengers, these vessels also feature expansive cargo space for 20-foot cargo containers, and for large quantities of bananas and conventional general cargo. In October, 1962, Grace resumed its containership service between Port Newark and Venezuela. This service had been suspended in 1960 due to labor problems.

One of the major improvements completed at Port Newark during the year was the construction of four new cargo distribution buildings (Nos. 199, 200, 201 and 202) built for lease to firms handling waterborne cargoes. The new buildings, constructed at a cost of more than \$4,200,000, brought to 1,917,000 square feet the new cargo distribution space at Port Newark. By the end of 1962, plans were being made for the construction of four more distribution buildings, two to be completed in mid-1964 and two in mid-1965.

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



*By the end of 1962, the Brooklyn-Port Authority Piers development was comprised of eight new piers and four more under construction.*



*Brooklyn-Port Authority Piers 9A and 9B in the Baltic Terminal area developed rapidly during 1962. When completed, these piers will provide a combined total of 312,000 square feet of paved upland area and 353,600 square feet of shedded space.*

A site was prepared and surcharged for a ground level cargo distribution building which will be built in 1963 on the south side of the channel. It is expected that this new building will be served by both trucks and by rail, and that it will be completed by mid-1963.

Other projects completed during the year included modifications to the railroad track system to provide for the accommodation of the new tri-level, 90-foot railroad automobile carriers which were introduced during the year. Because of their extra length, these new cars require a more gradual curve.

More than 4,520,300 tons of cargo passed through Port Newark in 1962, of which 3,307,700 tons were general cargo and 1,212,600 tons of bulk liquids. During the year, the movement of cargoes through the port provided employment for 4,200 persons who earned \$23,352,000. The continuing construction program provided an additional 220 jobs with an annual payroll of \$1,770,000.

#### *Erie Basin-Port Authority Piers*

Construction was completed during 1962 of a new \$1,000,000 terminal facility for Piers 1, 2 and 3 at Erie Basin. The new construction, which was begun in 1961, provides a new pier operations building, a 10,800-square-foot maintenance garage, and an 820-foot-long headhouse with continuous truck back-up facilities along its inshore side.

During the year, another major construction project was started along the outshore breakwater at Erie Basin. The bulkhead is being rehabilitated by removing the existing edge, stabilizing the slope with small stones, facing the entire area with larger stones, and restoring the upland area pavement. The reconstruction of the entire outshore breakwater will be completed during 1963.

In 1962, 807,289 long tons of general cargo were handled at Erie Basin, while 653 vessels discharged and loaded cargoes at these piers. These figures reflect an increase of 72,268 long tons, or 9.8 per cent over 1961. Over-all shipping activity at Erie Basin provided employment for over 1,100 persons with an annual payroll of \$6,159,000.



*A view of the Erie Basin-Port Authority Piers showing the rehabilitation work at the outshore breakwater.*

### *Hoboken-Port Authority Piers*

The Hoboken-Port Authority Piers are the main operating base for American Export Lines and are under lease to them for 25 years, with approximately 17 years of the term still remaining.

During 1962, the Isbrandtsen Steamship Company moved its operations to this terminal after acquiring an interest in American Export. This move, together with an increase in American Export Lines' business, produced an appreciable gain in cargo activity at the Hoboken-Port Authority Piers. When compared with the previous 12-month period, general cargo tonnage handled at the six-berth facility rose by approximately 40 per cent in 1962. In addition, 290 vessels were berthed and 98 passengers moved through this marine terminal in the same period. All of this activity resulted in the creation of 908 jobs with payrolls of \$5,001,800 during the year.



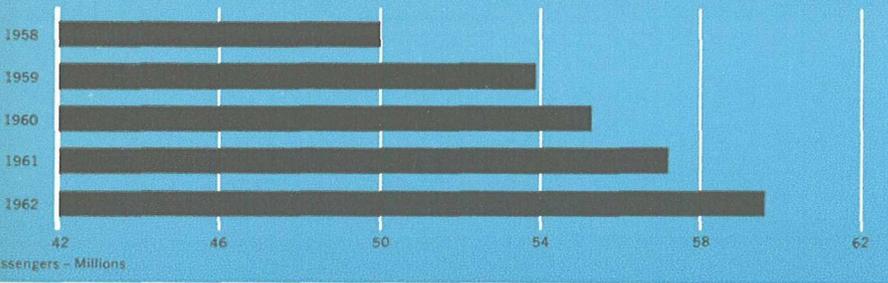
*In 1962, cargo activity at the three Port Authority piers at Hoboken, New Jersey increased by 40 per cent over the previous year.*

### *Grain Terminal and Columbia Street Pier*

During 1962, the movement of grain through the Port of New York was adversely affected still further by the continuance of prohibitive grain trimming costs, the competition of other North and South American ports which have far lower trimming costs, and the St. Lawrence Seaway. The total grain elevated during the year amounted to 536,518 bushels, while 2,310,306 bushels were loaded directly in the hold of deep-sea vessels. This was 12 per cent less than in 1961.

At the five-acre lumber terminal adjacent to the grain elevator, over 67,615,890 board feet or 90,557 tons of lumber were handled, a decrease of 10 per cent.

## BUS TERMINAL ARRIVING AND DEPARTING PASSENGERS



THE Port Authority's \$31,000,000 project for enlarging and improving passenger facilities at the Port Authority Bus Terminal was about three-quarters completed by the end of 1962. The use of the new upper bus level by several commuter bus lines had already smoothed the pattern of traffic during peak commuter hours, while the passage of pedestrian patrons was eased appreciably by the opening of many of the terminal's new, high-capacity motorstairs. The revamped terminal ventilation system produced noticeably salutary results soon after its activation. In April, the three-level parking super-structure was opened to accommodate record numbers of patrons.

The year was also marked by the signing of a 20-year lease under which all mid-Manhattan bus operations of The Greyhound Corporation will be moved into the Port Authority Bus Terminal. This agreement climaxes several years of discussion and negotiations for Greyhound's use of the facility and will divert 62,000 buses from the heavily congested streets of central Manhattan each year.

The Port Authority Building, which houses the Port Authority's administrative offices and 60 commercial tenants, remained at 100 per cent occupancy through 1962. The consolidation and distribution of freight at the New York Union Motor Truck Terminal was also maintained at a high level during the year, while activity at the Newark Union Motor Truck Terminal rose slightly when another trucking company became a tenant.

The Port Authority's inland terminals produced aggregate gross revenues of \$9,500,000 during 1962. The total number of jobs provided at these facilities numbered 7,900, and their combined payroll was \$40,200,000. Investment in inland terminal properties rose to \$85,000,000, an increase of \$8,200,000 over 1961.

Again in 1962, as in almost every year in its history, the Port Authority Bus Terminal established new records of activity. More than 2,206,000 buses arrived at or departed from the Bus Terminal during the year, and over 59,600,000 million bus travelers were accommodated. This passenger count represents a 4 per cent increase over 1961, despite space limitations caused by construction work in progress during the expansion program.

## Terminals



### *Greyhound Enters Bus Terminal in 1963*

The 20-year lease with The Greyhound Corporation, signed on May 17, 1962, provides for the shift of this major carrier's Manhattan bus operations to the Port Authority Bus Terminal by mid-1963. The Greyhound Corporation, the largest interstate bus operator in the United States, covers the country with a network of over 101,000 route miles. In Manhattan alone, it sells tickets to approximately two and a half million passengers a year. This will soon carry the Bus Terminal's yearly passenger volumes over the 60-million mark.

The carrier will occupy 15 of the 40 bus berths on the long distance level of the terminal—about 23 per cent of the terminal's total long-distance bus operating area—and will manage its own baggage and express activities.

New facilities are being added to the Bus Terminal to accommodate Greyhound's administrative and operational functions. A 1,800-square-foot ticket plaza with "super-market" island ticketing stations is under construction at the Eighth Avenue end of the main pedestrian concourse and a 1,500-square-foot travel bureau is going up on the concourse proper. At the Ninth Avenue end of the main concourse, Greyhound's administrative, clerical and drivers' lounge space and baggage facilities are under construction.

### *Port Authority Bus Terminal Expansion*

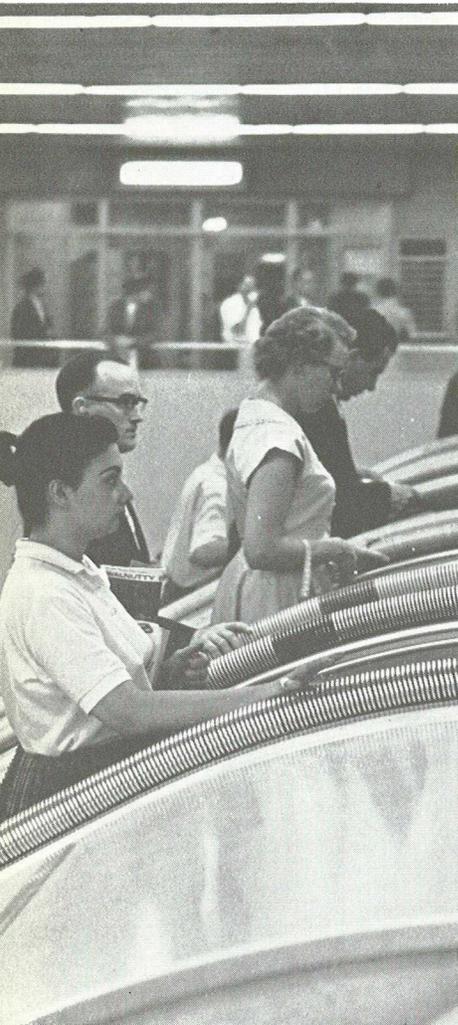
The Port Authority Bus Terminal expansion program was designed to increase the terminal's capacity by 50 per cent. Long and short haul bus operating space has been increased by construction of a third level on the former roof parking lot. This new level began limited operation in late 1961. It has eight island-type bus loading platforms on its north side, providing a total of 32 bus loading positions for short haul or commuter buses. A common unloading platform runs the length of the south side. Long distance buses will use the 25 "saw tooth" bus berths located in the center of this new level. An air-conditioned waiting room, brightly decorated in tile and glass, adjoins these bus berths and will be used by long distance bus passengers.

A total of 29 high-capacity motorstairs are being installed to convey more than 60 million patrons a year to the several levels of the terminal building with maximum convenience and comfort. On the main bank, which connects the terminal's main concourse with its suburban concourse, four modern, double-width motorstairs have replaced the original standard-width stairs. Fifteen high-rise motorstairs will carry patrons two full stories from the suburban concourse to the upper bus level.

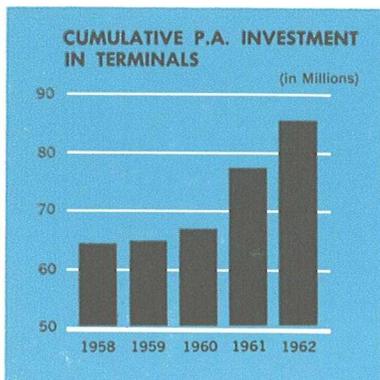
The expansion of the ramp system which provides direct connections between the Lincoln Tunnel and the Bus Terminal was completed in 1962. In addition, a new circular ramp now provides bus and automobile access to the Lincoln Tunnel from the east side of the Dyer Avenue approach. Other portions of the existing ramp system have been widened to handle two-way traffic during peak periods.

### *Success of New Parking Facility*

A new three-level car parking superstructure built above the terminal was opened, one level at a time, in April and May, 1962. The former roof parking facility, with space for only 450 cars, turned away 50,000 potential parkers per year. The new parking areas provide space for 1,030 automobiles. Linked conveniently and directly with the Lincoln Tunnel by the terminal's ramp system, the new levels have not only regained all of the old parking roof's patronage but have also surpassed it by a substantial margin—and the trend gives every indication of continuing upward.



*The escalators shown here have been supplemented by the installation of 29 high-speed motorstairs for the conveyance of patrons to and from passenger levels.*



### *Terminal Continues to Break Record*

In the midst of the widespread construction work associated with the expansion program, the Bus Terminal's primary function of providing efficient bus operating facilities for the traveling public has continued without interruption, and new highs in bus activity were again set in 1962, when 1,103,000 departures were recorded. This represents an increase of 37,000 over last year's figure and marks the third consecutive year in which the one-million mark has been exceeded.

Long distance activity sparked the total departure increase by climbing 15 per cent over 1961, to well over the 234,000 mark. This fast growth in long-distance-level activity reflects primarily the rapid expansion of outlying New Jersey communities. The largest increases were recorded by the carriers moving daily commuters between the Bus Terminal and developments in the New Brunswick, Princeton and Lakewood areas of New Jersey. Until recent years, such communities were not considered within commuting distance of New York. Passenger volumes of middle distance commuter carriers gained well over 20 per cent during 1962.

The increase in long distance bus travel between major cities—30,000 departures, a rise of 15 per cent—also contributed significantly to the over-all upward trend. Short haul departures for the year totalled 869,000, a gain of 7,400 over 1961's total. Rises in subsidiary activities associated with bus movements—such as package express, manifest baggage, etc.—were also recorded during 1962.

### *Port Authority Building & Truck Terminals*

Headquarters for The Port of New York Authority are located in the Port Authority Building at 15th Street and Eighth Avenue. This 15-story, full-city-block building also houses 60 manufacturing and commercial tenants. Situated on the basement and street levels of the building are 192 off-street truck berths, constituting one of Manhattan's largest consolidation and forwarding centers for truck and rail freight.

The Port Authority's two modern truck terminals, operated by the Terminals Department, are the 142-berth New York Union Motor Truck Terminal in lower Manhattan and the 160-berth Newark Union Motor Truck Terminal in Newark, New Jersey. The two terminals are designed to facilitate the consolidation of freight shipments from large over-the-road trucks and their distribution for delivery by smaller local carriers. In reverse, smaller freight shipments from local points of origin can be consolidated at the terminals in over-the-road trailer truck shipments to common destinations.

*Enclosed and ventilated platforms provide additional conveniences for patrons at the Port Authority Bus Terminal.*



### *George Washington Bridge Bus Station*

A significant step forward in the Port Authority's long-range program for improving bus passenger facilities in Manhattan was the opening (on January 17, 1963) of the George Washington Bridge Bus Station, built as part of the George Washington Bridge lower level project.

The bus station is located in northern Manhattan, between Fort Washington and Wadsworth Avenues, above the George Washington Bridge Expressway. It is expected to accommodate some eighteen million travelers in its first year of operation. Prior to its opening, there had been approximately 2,000 daily commuter bus movements over city streets from street-level bus loading areas located within ten blocks south of the bridge. Twin ramps leading directly from the station to the bridge have removed these buses from the stream of street traffic and have cut travel time for commuters.

Architecturally, the most salient feature of the station is its roof, designed by Dr. Pier Luigi Nervi, the world-renowned Italian architect. This poured concrete roof is made up of 26 triangular sections. Fourteen of these sections slope upward from the centerline of the building roof, alternating with the remaining twelve which lie in a horizontal plane. The sloping sections are supported by poured concrete structural members which provide openings for natural ventilation of the station. The entire roof is supported by similar poured concrete members placed along each side of the station, and by a row of concrete columns along the station's centerline. The skyward slope of the triangular sections and the rugged texture of the concrete contribute in large measure to the strikingly handsome appearance of the station.

Work on the foundations began in January, 1959 as part of the expressway construction beneath the bus station. The station's first major steel column was hoisted into place in February, 1961, and the pouring of concrete for the Nervi roof began in November, 1961. The roof was completed in the summer of 1962.

The bus station occupies two square blocks between 178th and 179th Streets. The station building itself occupies the block between Broadway and Ft. Washington Avenue. A 90-bus parking turn-around area occupies the block between Broadway and Wadsworth Avenue. The two components are connected by two bridges spanning Broadway.

The bus station can accommodate about 50,000 travelers a day. It incorporates two bus operating levels, one primarily for short distance travelers. A main passenger concourse level lies between the two bus-operating levels. Commuters from fast-growing Bergen and Passaic Counties in New Jersey and Rockland and Orange Counties in New York arrive and depart on the uppermost of the three levels—the suburban bus level. Here, ten island-type loading platforms provide positions for 36 buses, and an unloading platform extends the length of the south side.

The long distance bus level, on the lower or street level of the bus station, consists of seven "saw tooth" berths designed to facilitate the loading of passenger baggage. Buses enter and leave this level directly from 178th and 179th Streets, since many long distance bus trips arrive at the station via local streets from New England and other points north, rather than from the George Washington Bridge.

A pedestrian passage to the 175th Street Station of the Eighth Avenue IND Subway is located on the lower level of the bus station. Travelers move between the various levels by motorstairs.

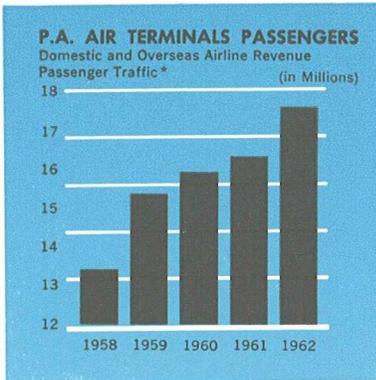
The main passenger concourse occupies the middle level of the station, and provides ticket offices, modern waiting rooms, bus information areas, rest rooms, and retail stores. In keeping with the impressive exterior of the station, Port Authority Architect Gordon Lorimer provided an architectural treatment of the concourse which features Venetian terrazzo floors, columns faced with Venetian glass tile, glass



*The George Washington Bridge Bus Station was dedicated on January 17, 1963. Built as part of the George Washington Bridge lower level project, the Bus Station is expected to accommodate some eighteen million travelers in its first year of operation. In the foreground are seen the first buses to use the 90-bus parking and turn-around area.*

and aluminum storefronts and luminous lighting set flush into an acoustical ceiling. A bronze bust of Othmar H. Ammann, designer of the George Washington Bridge, is situated at the eastern end of the concourse.

For the convenience of patrons, consumer service facilities are located on both this main passenger concourse and on the building's Broadway frontage. These facilities include a bakery, drug store, supermarket, coffee shop, barber shop, candy shop and newsstands.



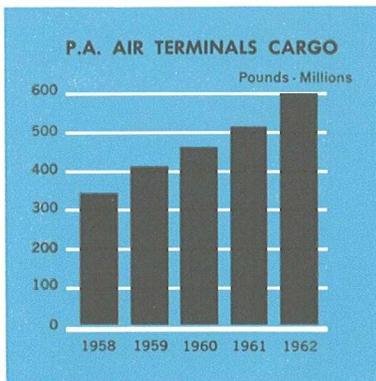
**T**HE Port Authority serves the air transportation needs of the Port District by providing a regional air terminal system which includes New York International and LaGuardia Airports in New York, Newark and Teterboro Airports in New Jersey, and two commercial heliports in Manhattan. In 1962, this integrated system set new records in all categories of air traffic. The number of air passengers climbed 8.4 percent to 17,675,000 while air cargo rose to a total of 593,825,000 pounds, a 17.4 percent increase over 1961. Air mail handled at the airports amounted to 171,181,000 pounds, an increase of 12.1 percent over the previous year.

Highlighting this growth was the dedication of new passenger terminals at New York International Airport, one for Trans World Airlines, and another for Northwest Orient Airlines, Braniff International Airways and Northeast Airlines. There now are ten passenger terminal buildings in operation in Terminal City. National Airlines in 1962 announced plans for the construction of its passenger terminal on the site of the existing Temporary Terminal Building. Plans to double the size of the air cargo center, already the world's largest, got under way in 1962.

Major construction activity during the year took place at LaGuardia Airport where a \$115,000,000 redevelopment program is in progress. The scope of this program was increased in 1962 to include the construction of a Grand Central Parkway overpass, more automobile parking spaces, and the extension of the two runways into Rikers Island Channel. Before the end of the year, all runway and taxiway installations contemplated in the original program had been completed. Considerable progress also was made on the construction of the new passenger terminal buildings and parking lots.

The number of air passengers using Newark Airport in 1962 totaled 3,108,000, up 8.6 percent from 1961 and almost equalling the record high set in 1959. This passenger volume of 1962, the first full year of jet operations, reverses the gradual decline of the previous two years at Newark when no jet service was offered. Planning continued on the major redevelopment of Newark Airport announced in December, 1961.

The Port Authority-Downtown Heliport, operated by New York Airways under an agreement with the Port Authority, handled 25,203 passengers on 15,194 helicopter movements in 1962. In the same period, air cargo totaled 46,000 pounds. In July, New York Airways inaugurated high-speed passenger service to and from the Downtown Heliport with three twin turbine-powered Boeing Vertol 107 helicopters. Also in July, the operation of the West 30th Street Heliport passed from New York Airways to Consolidated Helicopter Corporation under an agreement with the Port Authority.



# Air Terminals



The Port Authority invested \$46,970,000 in airport facilities in 1962, bringing the total investment made by the bi-state agency to \$451,700,000 by the end of the year. An estimated \$322,000,000 were earned by 42,806 persons employed at the regional air terminals during the same period. These figures do not include the extensive earnings and employment provided directly by construction work at the airports.

It was perhaps noteworthy in the space age that three of the world's most famous astronauts landed and departed from Port Authority air terminals during 1962 on visits to cities and towns in the Port District. Lt. Col. John H. Glenn arrived at LaGuardia and departed from Newark Airport in March. Major Gherman Titov arrived and departed at New York International in May. Lt. Commander Walter M. Schirra, Jr. arrived at Newark Airport in October and departed from Teterboro Airport, where he had learned to fly.

### *New York International Airport*

The most significant air traffic gains of 1962 were made at New York International Airport. An increase of 13.4 percent over 1961 was reflected in the 11,510,000 passengers accommodated at that airport last year. Of these, the number of domestic passengers increased 13.5 percent to 8,231,000, the overseas passenger count climbed to 3,279,000, a 13.2 percent gain over the previous year.

In August, a new record was set when 1,128,963 passengers passed through the airport. Other million-passenger months were June, July and September. The first million-passenger month had been recorded in June, 1961.

*Ten passenger terminal buildings are now in operation in New York International Airport's Terminal City. By the close of 1962, the airport was still the second busiest in the nation for air carrier movements, with a record of 11,510,000 commercial air passengers served and 290,133 aircraft movements.*



The aircraft operating at New York International Airport made 290,133 take-offs and landings as compared with 265,281 in 1961. Air cargo handled at the airport during 1962 was 433,917,000 pounds, a 22.9 percent increase over 1961. Air mail increased 22.4 percent to 140,673,000 pounds.

An estimated \$241,000,000 were earned by the 32,368 people employed at the airport in 1962. This represents an 11.1 percent gain in earnings and a 6.9 percent gain in jobs. The Port Authority investment in New York International Airport facilities was increased by \$27,747,000 in the same period, raising the total investment by the end of the year to \$338,800,000.

### Terminal City

Excellent progress was made in 1962 toward completion of the original development plans for Terminal City, the 655-acre area in the heart of the airport where all passenger terminal facilities are located. Buildings in this oval-shaped area include the International Arrival Building, the East and West Airline Wing Buildings where foreign-flag air carriers are located, the individual airline terminals, the Control Tower, the Central Heating and Refrigeration Plant and the Temporary Terminal Building.

Two new airline passenger terminals were dedicated in 1962 and plans for one more were announced. On May 28, Trans World Airlines dedicated the beautiful, \$15,000,000 building designed by the noted architect, the late Eero Saarinen. This structure has been hailed as an "expression of the drama and wonder of air travel." It was awarded a special bronze plaque by the Queens Chamber of Commerce as being a "most outstanding structure," the seventh such award made since the competition began in 1926.

Dedicated in November was the \$10,000,000 terminal which serves Northwest Orient Airlines, Braniff International Airways and Northeast Airlines. The functional design of this building permits the three airlines to share public spaces and yet maintain separate ticketing and baggage facilities.

The completion in late 1964 of National Airline's terminal will make it possible to remove the final elements of the Temporary Terminal Building by April 1965.

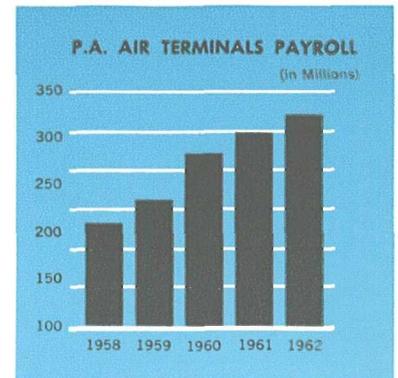
Work started in 1962 on bringing utilities and paving to the Chapel Plaza site, first tri-faith chapel development at any air terminal. The Catholic, Protestant and Jewish chapels located on the north side of and bordering the lagoon in Terminal City are to be of varied but related form, with stone exteriors. Each chapel will extend out over the lagoon for about one third of its 110-foot length. Construction of the chapels, sponsored by the International Synagogue Center, Inc., the Protestant Council of the City of New York, and the Catholic Guild of New York International Airport, is expected to begin in 1963.

The \$4,880,000 second phase work on the Central Heating and Refrigeration Plant was 65 percent complete by the end of the year. This project includes installation of two additional boilers which will supply hot water for heating and four new absorption units which will provide chilled water for the air conditioning of passenger buildings in Terminal City. The project will be completed in May, 1963.

Parking Lot 3 in Terminal City was expanded by 449 spaces, making 1,425 spaces in that lot and a total of 6,750 parking spaces at the airport.

### Air Cargo Center

The volume of air cargo handled at New York International Airport has increased from 9 million pounds in 1949 to 434 million pounds in 1962. A major factor in the growth of air cargo has been the development of new types of aircraft and equipment designed specifically for handling cargo, and the increased cargo storage space available in jet passenger aircraft.





*Swing-tail cargo planes speed the handling of shipments at New York International Airport's expanding Air Cargo Center.*

To keep pace with this rapid growth of air cargo, the air cargo center at New York International, is being more than doubled in size under an expansion program in which the Port Authority will invest \$5,099,000. The center is being enlarged from 89 to 171 acres, seven new buildings are being added to the original five, and two of the existing structures are being expanded. This will increase the air cargo center terminal and office capacity from 296,000 square feet available at the beginning of the year to more than 600,000 square feet.

On July 2, Cargo Buildings 86 and 87 were completed at an estimated cost of \$1,600,000. Paving and utilities for these structures were installed at an additional cost of approximately \$1,200,000. The tenants, Air France, Alitalia and Lufthansa Airlines in Building 86, and American and KLM Royal Dutch Airlines in Building 87, finished their interior modifications and occupied the building before the end of the year. American Airlines is developing plans to expand its section of Building 87.

Emery Air Freight also completed construction of its own Cargo Service Building in 1962. Erected at a cost of \$700,000, this building provides 21,000 square feet of space. In October, construction of Cargo Service Building 68 was started. When completed next year, the \$1.2 million facility will have a capacity of 35,000 square feet. A cargo service building for use by Air Express International is also scheduled for completion in 1963. This \$750,000 building will contain 28,000 square feet of space. The expansion of Cargo Service Building 80 from 67,000 to 104,000 square feet will be completed in September, 1963.

Two more buildings are in the planning stages. One is Cargo Service Building F which will provide 45,000 square feet at an estimated cost of \$1,500,000. The other, for use by the ABC Air Freight Corporation, will make available approximately 24,000 square feet of space.

#### *Aviation Fuel Distribution System*

To meet the airlines' increasing needs for aviation fuel, eight 500,000-gallon fuel tanks were constructed at an estimated cost of \$1,865,000. These additional tanks raised the capacity of the bulk fuel farm to 17,880,000 gallons. The airport now dispenses about 590,000,000 gallons of aviation fuel a year.

Plans also were completed in 1962 for installation of an underground aircraft fuel distribution system capable of pumping over 3,500,000 gallons a day through a 50-mile network of pipes from storage tanks directly into aircraft at the passenger terminals. The new system, to cost about \$20,000,000, will be completed in late 1964. It will distribute fuel more rapidly, efficiently and economically than the present truck delivery system.

### *Runways*

Fill work for the 3,550-foot southerly extension of Runway 4L-22R into Jamaica Bay was completed in 1962, nearly four months ahead of schedule. Paving and lighting work will begin after the fill has been allowed to settle approximately ten months. When completed in late 1964, the runway will be 11,400 feet long. This will permit its use for take-offs while parallel Runway 4R-22L is used for landings. The runway extension and related taxiways project will cost an estimated \$7,800,000.

During the year, the western half of Runway 13L-31R was resurfaced, as were several taxiways. The eastern half of the runway will be resurfaced in the Spring of 1963. Visual Approach Slope Indicator (VASI), an installation of red and white lights that enable a pilot to maintain the proper angle of descent while approaching a runway, was installed by the Federal Aviation Agency on Runway 13L-31R in 1962.

### *Other Developments*

The elimination of the aircraft taxiway grade crossing on the 150th Street Approach Road at the airport moved forward during the year with initial construction work on taxiway and service road bridges. The completion of the \$6,200,000 project in 1964 will provide a second major entrance to the passenger terminal area.

The New York Telephone Company's \$1,500,000 communication center was completed and placed in service in 1962. The new center serves the airport's 10,000 telephones and handles 2,000,000 calls weekly.

### *LaGuardia Airport*

Despite the heavy construction in progress throughout the year on the \$115,000,000 redevelopment of LaGuardia Airport, there was only a moderate decrease in traffic activity. In 1962, 3,057,000 commercial passengers were served at the airport, a decline of 7.1 percent. Aircraft movements totaled 151,018, 8.0 percent less than 1961. Air cargo declined 31.3 percent to 21,293,000 pounds, and air mail decreased 36.8 percent to 8,765,000 pounds. The carriers serving the airport numbered three in October when Trans World Airlines and United Air Lines temporarily shifted their LaGuardia flights to New York International and Newark Airports pending the completion of the LaGuardia redevelopment program.

An estimated \$38,000,000 were earned by 4,787 people employed at LaGuardia during the year. The Port Authority's investment in the airport at the end of 1962 amounted to \$60,700,000.

### *Terminal Facilities*

Construction progressed during the year on the new \$36,000,000 passenger terminal complex at LaGuardia Airport. The new passenger terminal, which will be nearly seven times as large as the old Domestic Terminal Building razed last year, will be dominated by a four-story central section, redesigned during 1962 to include a basement and caissons. The structural steel work for this central section, started in November, will be completed by December, 1963, at which time the tenants will be able

to begin their interior work. Occupancy of the building is scheduled for the Spring of 1964.

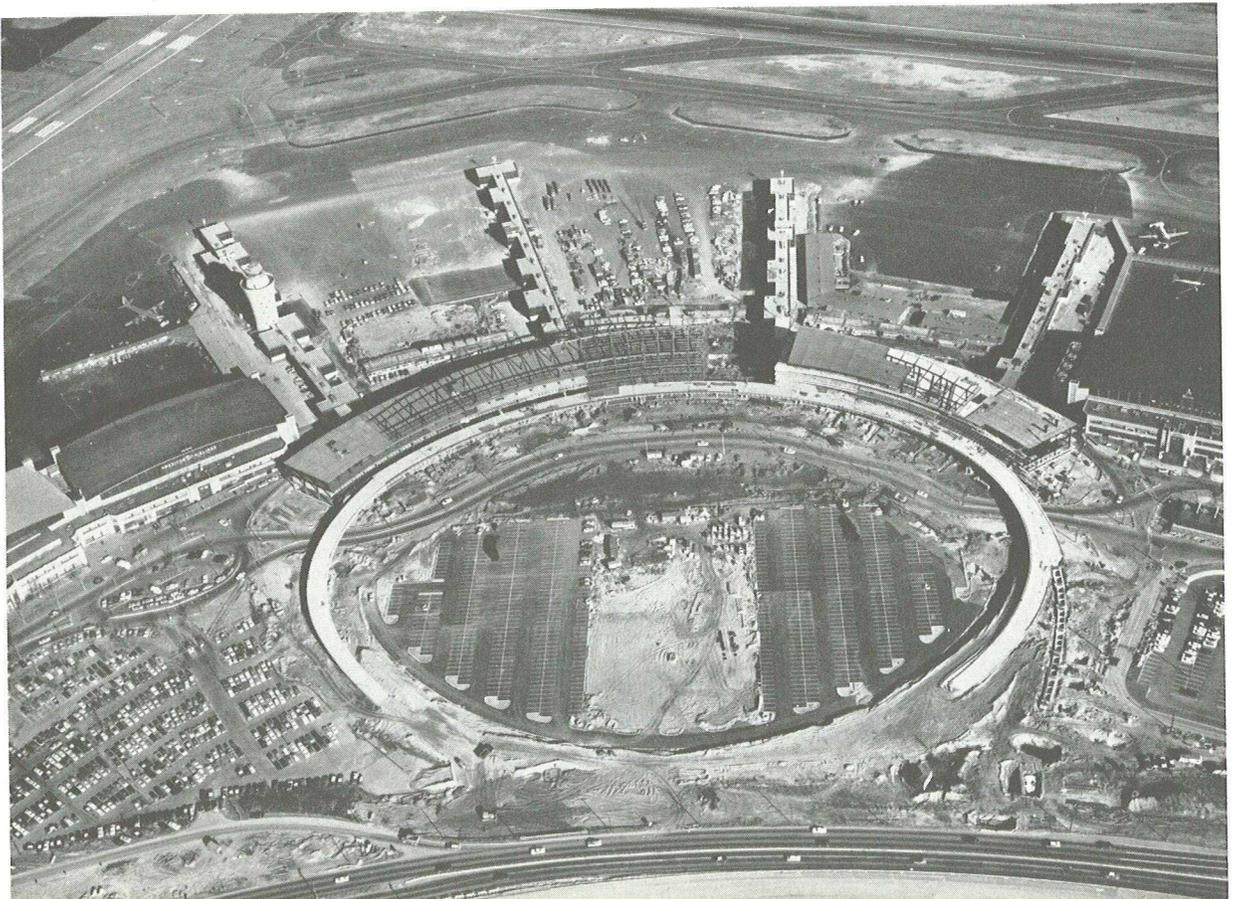
Two three-story wing buildings will flank the central section and will house individual passenger facilities for American Airlines, Eastern Air Lines, Northeast Airlines, Trans World Airlines and United Air Lines, the five major airlines serving the airport. The foundations and steelwork for these buildings were completed in 1962. By the Fall of 1963, the tenants will be able to start their interior work to prepare for occupancy six months later. Work on the two wing buildings dropped behind schedule when it became necessary to correct deficiencies in some of the foundation piles.

The four two-story arcades which extend from the terminal building onto the terminal apron to serve the 36 aircraft gate positions are in the finishing stages. Plastering and terrazzo work is complete, and the installation of fixtures, mechanical work and electrical installation are well underway. These structures will be ready for the tenants by late Spring, 1963.

The elevated roadway which enplaning passengers will use when arriving at the terminal building was completed in December, 1962. Deplaning passengers will depart the terminal by a lower level roadway to be completed in conjunction with the central section of the terminal. Foundations for the Grand Central Parkway overpass were completed at the close of 1962, and construction of the superstructure portion is expected to begin in early 1963.

The twelve-story control tower was completed in October, 1962. The FAA is scheduled to begin work soon on the interiors and on the installation of the most modern radar and communications equipment. It is expected that the new tower will be in service in late 1963. In the meantime, an FAA-equipped temporary control tower which was moved from Newark Airport is handling air traffic at the airport.

*This aerial view of LaGuardia Airport's new terminal area highlights the tremendous progress made in 1962 in the airport's \$115,000,000 redevelopment program.*



Parking Lot 2, which will contain 2,339 parking spaces, was more than fifty per cent complete in December, 1962. It is expected to be finished in October, 1963. Approximately half of Parking Lot 5 will be in service in late 1963, with the remainder of the lot to be completed in successive stages through 1964 and 1965. The construction of Parking Lot 1 is expected to begin early in 1963 and be completed in the Fall of the same year. When all these lots are completed, a total of 5,000 parking spaces will be available at LaGuardia Airport.

### *Runways*

In August, 1962, the Port Authority requested U.S. Army Corps of Engineers approval of the construction of a new ship channel between Rikers Island and South Brothers Island to replace the present Rikers Island channel. This would permit the extension of LaGuardia's runways to 7,000 feet, and make them capable of handling jet aircraft on short and medium-haul flights. This is the length prescribed in the FAA's National Airport Plan. One of the two runways is now 5,000 feet long; the other measures 5,965 feet. A decision by the Corps of Engineers is expected in 1963.

Taxiways for the new Runway 13-31 opened last year were completed in September, 1962. Also completed, in November, was the apron which will serve the passenger terminal.

### *Newark Airport*

Short and medium-haul jet service introduced at Newark Airport in September, 1961 has helped to reverse the gradual decline in passengers accommodated by that facility. During 1962, 3,108,000 commercial air travelers were served by the airport, up 8.6 percent from 1961 and nearly matching the record high set in 1959. There were 164,688 aircraft movements, 1.8 percent less than 1961. Air cargo increased 13.1 percent over 1961 for a total of 137,915,000 pounds. The 21,743,000 pounds of air mail handled at the airport during 1962 represented a 9.1 percent decline.

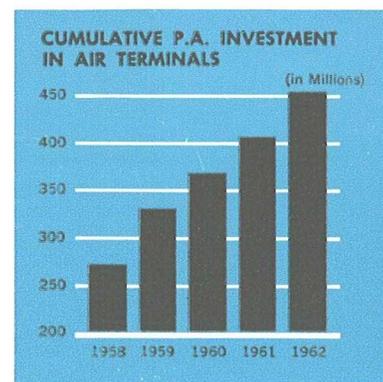
Seven airlines—American Airlines, Braniff International Airways, Delta Air Lines, Eastern Air Lines, Trans World Airlines, United Air Lines and National Airlines—now provide 229 jet flights a week at Newark Airport, with more than 20,000 seats available for passenger use.

An estimated \$36,000,000 were earned by 4,630 persons employed at Newark Airport during 1962. In the same period, the Port Authority's investment in the airport reached a total of \$40,800,000.

### *Redevelopment Plan*

The Port Authority entered into extensive discussions during the year with Federal, State, municipal and airline officials on the long range redevelopment plan for Newark Airport announced in December 1961. The conclusion of these discussions is expected in 1963, with construction to begin soon thereafter. Test borings to determine subsoil conditions were made during 1962.

The proposed redevelopment plan will increase the capacity of the airport by 50 percent. It includes the modification and extension of existing instrument Runway 4-22, the construction of a new "offset" parallel runway, and the construction of a new central passenger terminal two and a half times the size of the existing terminal. The plan also includes the conversion of the present terminal to an aircraft hangar and the provision of additional aircraft hangars, cargo handling facilities and a fuel storage area.





*Upsurging Newark Airport served 3,108,000 commercial air travelers in 1962, and handled 137,915,000 pounds of air cargo. Both figures represent appreciable gains over 1961 totals.*

### *Other Improvements*

A rehabilitation of Runway 11-29 was completed in June. The project included the relocation of the east-end threshold—which added 925 feet to the landing length of the runway. The work also included a \$180,000 resurfacing of the runway, the installation of high intensity lighting, the construction of a new blast fence at the east end, and the installation of Visual Approach Slope Indicator (VASI) by the Federal Aviation Agency. The marking, lighting or removal of obstructions in the new approach zone to Runway 29 was also accomplished.

A \$900,000 expansion of the terminal apron and a holding pad to serve both Runway 22 and Runway 29 was begun in September, with completion expected in July, 1963. A \$360,000 rehabilitation of taxiways, also begun in September, is scheduled for completion in June, 1963.

Parking Lot 3 was expanded by 388 spaces to a total of 1,316, increasing the parking facilities at Newark Airport to 2,436 spaces.

A 2,000-square foot baggage claim and passenger processing area was constructed for Eastern Air Line's shuttle service to Washington and Boston, inaugurated in April, 1962. United Air Lines also extended its operational space in the west arcade by 2,000 square feet.

The construction of 16 aviation fuel storage tanks on a new fuel farm site was completed in mid-year, raising the fuel capacity at the airport from 500,000 to 1,000,000 gallons.

### *Teterboro Airport*

Traffic movements at Teterboro Airport, the Port District's major airport for business and private flying, rose during the year to 230,617, 13.1 percent more than

in 1961. Corporate aircraft movements totaled 118,948, a 13.4 percent increase, and instructional flying increased 13.0 percent to 110,360. Permission to operate the "JetStar" corporate aircraft at Teterboro Airport was granted to a number of firms in 1962. Permission was granted following tests which showed that the aircraft could operate at Teterboro in conformance with the Port Authority's conditions for the operation of jets.

The total investment in Teterboro by the Port Authority amounted to \$10,500,000 by the end of the year. The 1,021 people employed at the airport during 1962 earned an estimated \$7,000,000.

In November, in its decision in *Moonachie vs. The Port of New York Authority and the County of Bergen*, 38 N.J. 414 (1962), the Supreme Court of New Jersey decided that a building constructed by the Port Authority at Teterboro Airport and leased by it to a private company to be used for the manufacturing of metal screens and storm windows and related office space was not exempt from taxation under the tax exemption granted to the Port Authority on Port Authority property devoted to "air terminal purposes." The Court, however, held that the land on which the building in question is situated is tax exempt.

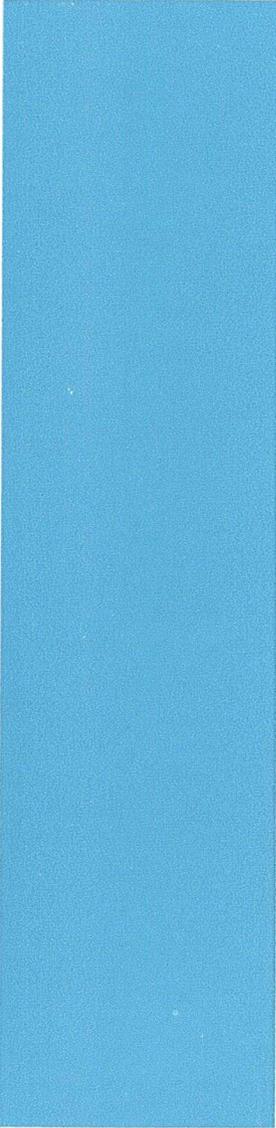
The implications of this decision with relation to the future of Teterboro or any other Port Authority owned terminal are being studied with grave concern by the Commissioners and staff. The decision recognized the need for vast land areas within airports for reasons of aeronautical safety and for future expansion of operational facilities. The high cost of the acquisition of such areas and of constructing and operating modern airports requires, that, where possible, in the light of all relevant aeronautical considerations, the areas should be used for the production of revenues to permit its operation on a self-supporting basis while at the same time maintaining a reasonable level of charges to the users of the airports.

While deficit airport operations can be sustained for a reasonable period of initial development, an agency such as the Port Authority, which is required to provide its own operational and development funds from revenues and borrowings on the basis of revenues, would, out of ordinary prudence and the obvious necessity to maintain its credit, be required to conclude that, unless there is a long range prospect of self-support, the particular operation should not be undertaken or continued. For these reasons, the questions raised by the imposition of this tax and the consequent dilution of the revenues available to support the airport, are being given careful study.

The statutes of the two States authorizing and directing the Port Authority to take over the financial responsibility for the development of the airports of the metropolitan region were based entirely on the proposition that, if the airports were to be made self-supporting, the Authority would have to develop revenues incidental to the revenues derived directly from the operation of aircraft.

Both the Legislatures and the municipalities, which had asked the Authority to take over this responsibility, were advised in the hearings and reports that preceded the adoption of the statutes, and which preceded the making of our agreements with the Cities of Newark and New York, that the industrial and commercial development of peripheral areas would be an important source of the revenues necessary to make the airports self-supporting.

We had thought that the purpose and policy of the two States in enacting the airport statutes of 1947 was to make it possible for their state agency to go forward with the vast public investments required for airport development on a self-supporting basis. Those statutes were enacted because the municipalities themselves could no longer carry the heavy annual losses of airport development. The two States therefore turned from taxpayer-supported airports to the policy, as we had heretofore understood it, of airports supported out of the revenues that could be developed on the airport site itself.



THE Port Authority became a rail transit operator at 12:01 a.m. on September 1, 1962, when the Port Authority Trans-Hudson Corporation (PATH), a subsidiary of the bi-state agency, acquired title to and began operation of the Hudson Tubes, the former Hudson & Manhattan Railroad system.

The assumption of responsibility for operating and rehabilitating the H & M system was the signal for the commencement of a projected \$150,000,000 modernization program to change this rundown but key interstate rapid transit line into an efficient, convenient, and dependable public transportation service.

Proposals for the acquisition and rehabilitation of the Hudson & Manhattan were first publicly advanced by the Port Authority in September, 1960, following intensive studies of the Port District commuter rail situation over a period of many years.

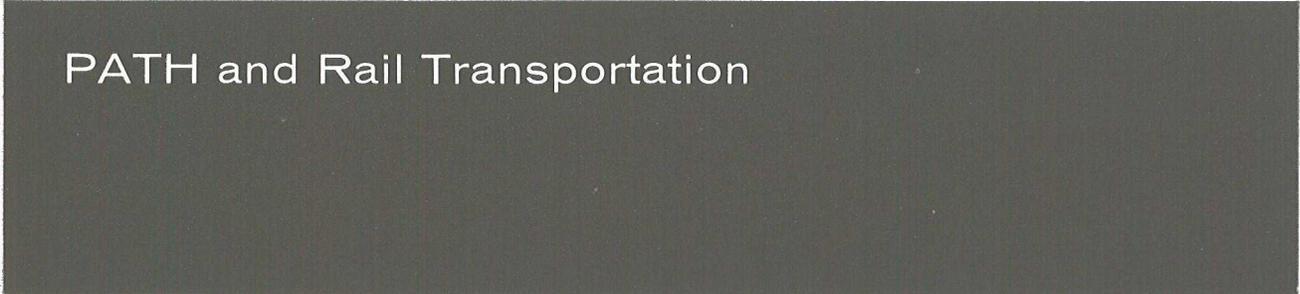
The Hudson & Manhattan, in bankruptcy since 1954 and hampered by obsolete and inadequate facilities and equipment, faced abandonment. In view of the key role which the line played in the Port District's transportation system, such abandonment could not be permitted.

It was on this note that the Port Authority proposed late in 1960 that it should be authorized to acquire, operate and rehabilitate the H M. At the same time, the Port Authority advised that investors in its bonds should be given adequate safeguards by the Legislatures of New Jersey and New York against the irreparable impairment of Port Authority credit which would result if there were no limit to the Port Authority's future involvement in additional deficit undertakings.

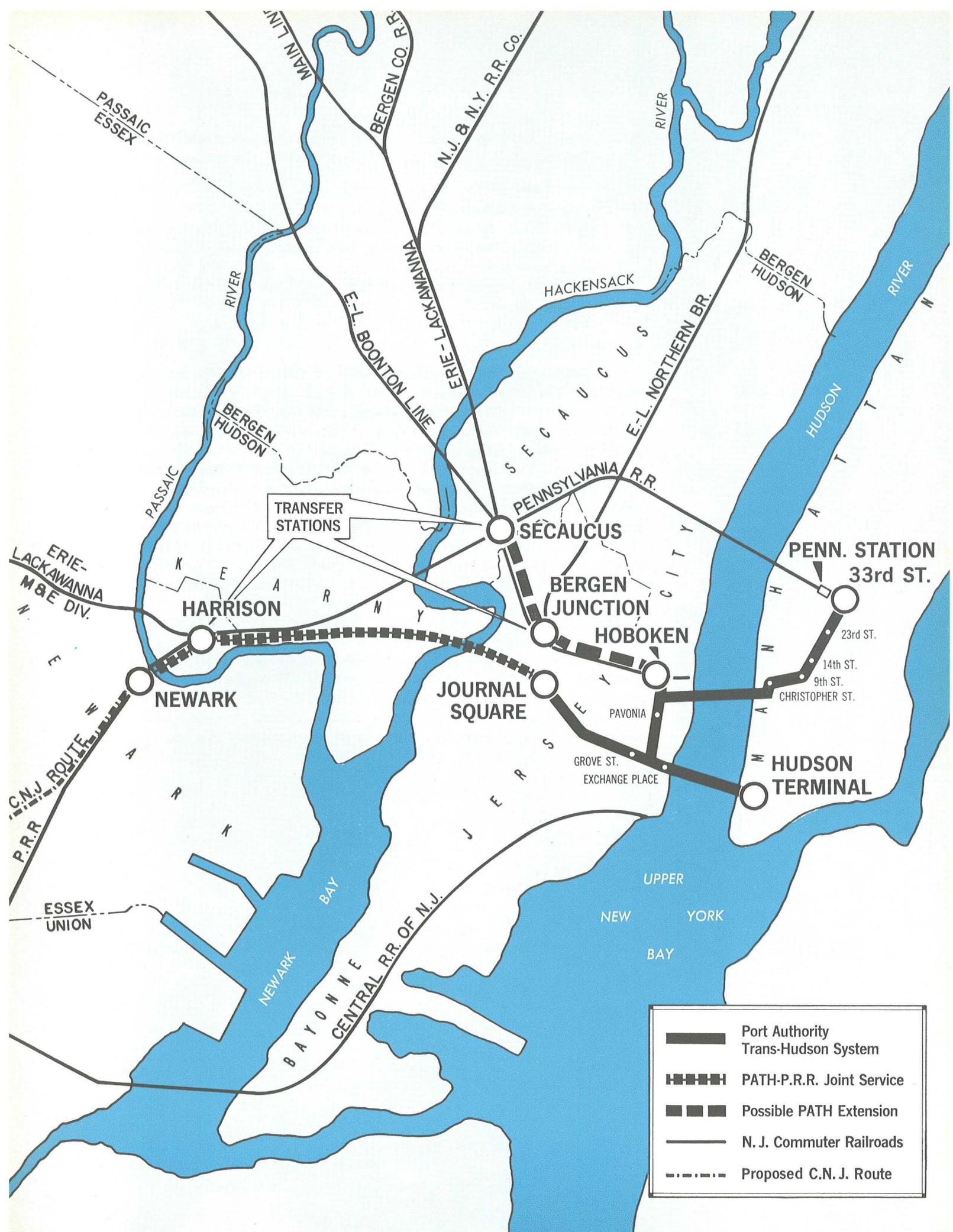
In 1962, therefore the two Legislatures enacted identical bills empowering the Port Authority to go forward with both the Hudson Tubes and the World Trade Center facilities as a unified port development project, with appropriate safeguards to the Port Authority's credit. Governor Hughes signed the New Jersey statute on February 13, 1962. With the signing of the New York statute by Governor Rockefeller on March 27, 1962, the statutory authorization was completed and the great port project was officially approved and authorized by the two states.

On May 10, the Port Authority Trans-Hudson Corporation, a wholly-owned subsidiary corporation of the Port Authority, was established to acquire, operate and develop the Hudson Tubes.

On July 26, the New York County Supreme Court granted the Port Authority Trans-Hudson Corporation's application to acquire the Hudson Tubes and the New York Terminal buildings. The required approval of the New Jersey Superior Court came in a confirmatory order granted on August 9, 1962.



## PATH and Rail Transportation



TRANSFER STATIONS

-  Port Authority Trans-Hudson System
-  PATH-P.R.R. Joint Service
-  Possible PATH Extension
-  N. J. Commuter Railroads
-  Proposed C.N.J. Route

ERIE-LACKAWANNA  
M&E DIV.

C.N.J. ROUTE  
P.R.R.

ESSEX UNION

PASSAIC  
ESSEX

RIVER

BERGEN HUDSON

PASSAIC RIVER

NEWARK

HARRISON

NEWARK BAY

BAYONNE

CENTRAL R.R. OF N.J.

JOURNAL SQUARE

BERGEN JUNCTION

HOBOKEN

GROVE ST.  
EXCHANGE PLACE

UPPER  
NEW YORK  
BAY

HUDSON TERMINAL

SECAUCUS

BERGEN JUNCTION

HOBOKEN

JOURNAL SQUARE

GROVE ST.  
EXCHANGE PLACE

PAVONIA

NEW YORK

UPPER BAY

HUDSON TERMINAL

HUDSON TERMINAL

HUDSON TERMINAL

N.J. & N.Y. R.R. Co.

ERIE-LACKAWANNA

E-L. BOONTON LINE

SECAUCUS

ERIE-LACKAWANNA

HACKENSACK RIVER

SECAUCUS

E-L. NORTHERN BR.

PENNSYLVANIA R.R.

BERGEN HUDSON

SECAUCUS

BERGEN HUDSON

HUDSON RIVER

PENN. STATION  
33rd ST.

23rd ST.

14th ST.

9th ST.

CHRISTOPHER ST.

On August 28, the Interstate Commerce Commission granted the Port Authority Trans-Hudson's application for a certificate of public convenience and necessity.

*The ICC said:*

*"If the Port Authority, through the applicant, is willing to take over the operation of the line for the benefit of the metropolitan area population of New Jersey and New York, knowing that the operation will probably continue to incur deficits, it should be permitted to do so. In view of the present operating deficits, it is doubtful that the operation of the line could long continue otherwise."*

### *Litigation*

The power of the Port Authority, through PATH, to acquire and operate the Hudson Tubes properties is under attack in the courts. In the condemnation proceeding in which PATH took title, tenants in the New York terminal buildings resisted the condemnation application on the ground that PATH did not have the power to condemn. Their claim is based on the fact that the two States authorized both the World Trade Center and Hudson Tubes as part of a single "unified project" under a single statute. They admit that there would be no constitutional objection to the authorization of the Hudson Tubes program alone, but they claim there are constitutional objections to the World Trade Center authorization and that, since the two facilities were authorized together as part of a single project, the alleged constitutional objections with regard to the World Trade Center pervade the entire statute and vitiate the authorization even to proceed with the Hudson Tubes part of the program.

The principal attacks on the World Trade Center authorization are that it is not for a public purpose and that it exceeds the bounds for "the future development of terminal, transportation and other facilities of commerce" to which the Port Authority was directed by the two states in the original Port Compact of 1921.

These arguments against the constitutionality of the World Trade Center are made not only in the condemnation proceeding but in a separate parallel declaratory judgment action brought by the same attorneys on behalf not only of tenants in the New York terminal buildings of the Hudson Tubes but also of other occupants in and around the site of the proposed World Trade Center.

The Port Authority and the Attorneys General of the two States have stated that the two States intended to authorize the Hudson Tubes effectuation by the Port Authority only if they had validly authorized the effectuation of the World Trade Center. They have argued vigorously in support of the constitutionality of the World Trade Center concept and the statutory powers given to the Authority by the two states to effectuate it.

In the lower courts the petition by PATH to condemn the property was granted and a motion in the parallel action for a preliminary injunction to stop all Port Authority activities to effectuate the Hudson Tubes and the World Trade Center was denied. As the year ended, both these decisions in favor of the Port Authority position were on appeal to the New York Appellate Division.\*

\* On February 19, 1963 the Appellate Division, by a vote of 3-2, reversed the condemnation orders and the denial of the motion for preliminary injunction, holding the authorizing legislation contains constitutional defects. The majority upheld the World Trade Center concept (as well as the Hudson Tubes) as a public use for which property may be condemned but interpreted the Act as authorizing other condemnations exceeding the proper scope of the World Trade Center concept. This interpretation was challenged on appeal to the Court of Appeals in argument heard on February 28, 1963, by the Port Authority and the Attorneys General of the two States. Decision of the Court of Appeals is awaited. In the meanwhile, PATH has continued to operate the Hudson Tubes properties as caretaker pursuant to a stay granted by the Appellate Division, suspending its plans for rehabilitation and improvement of the terminals, extension of the lines and replacement of the 50-year old railroad cars.

### *PATH Organization*

The twelve Commissioners of the Port Authority also serve as the Board of Directors of PATH. The President of PATH is the Authority's Executive Director. The Deputy Executive Director of the Port Authority is senior Vice-President of PATH. The Vice-President and General Manager of PATH is the Director of the Port Authority's Rail Transportation Department. The Authority's General Counsel serves as Counsel to PATH.

PATH began operations on September 1st with virtually all of the 1,100 former H & M employees continuing in their jobs.

### *PATH Modernization Program*

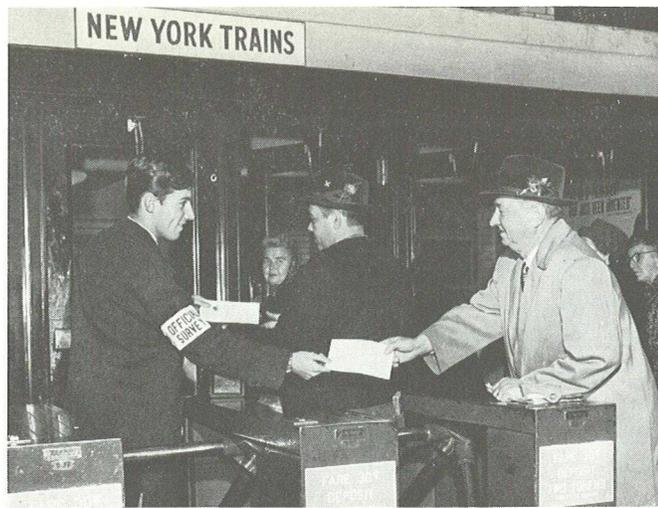
PATH'S projected \$150,000,000 modernization and improvement program has been divided into three phases. The initial, temporary-improvement phase began immediately, marked by a system-wide program of cleaning, scrubbing, painting and repairing public and employee areas, station platforms and concourses. The interiors of all passenger cars were thoroughly cleaned and relamped to provide better illumination, and other improvements were initiated.

In the second or intermediate phase of the rehabilitation program, which will take from three to five years to complete, the entire railroad will be virtually rebuilt. This phase will include:

- Designing and purchasing 250 new air-conditioned cars of the most modern concept
- Completely rebuilding or renovating all stations
- Installing new utility systems, particularly the electric power supply and distribution facilities
- Rehabilitating track and road bed to provide a better ride
- Installing new signals to assure faster service
- Building new maintenance shops and car yards to assure high standards of maintenance for the future.



*New signs going up at the Journal Square station on September 1, 1962 signal the acquisition by the Port Authority Trans-Hudson Corporation of the former Hudson and Manhattan Railroad System.*



*A Port Authority employee distributes questionnaires to commuters at Journal Square during an Origin and Destination Survey of PATH and Hudson River ferry passengers conducted in November, 1962.*

During this intermediate phase, arrangements initiated in 1962 by the State of New Jersey will enable passengers of the Central Railroad of New Jersey to make a direct transfer to the PATH system at Pennsylvania Station, Newark. Legislation to provide for the financing by the State of New Jersey of the connections required for this plan was passed by the New Jersey Legislature early in December. In the meantime, the PATH planning staff had initial studies under way to assure that additional car equipment and facilities would be available to handle the Jersey Central passengers routed into Newark.

Also, during the year, initial discussions were begun with the Pennsylvania Railroad on future arrangements for operation of the PATH-Pennsylvania Joint Service between Hudson Terminal in Manhattan and Pennsylvania Station in Newark.

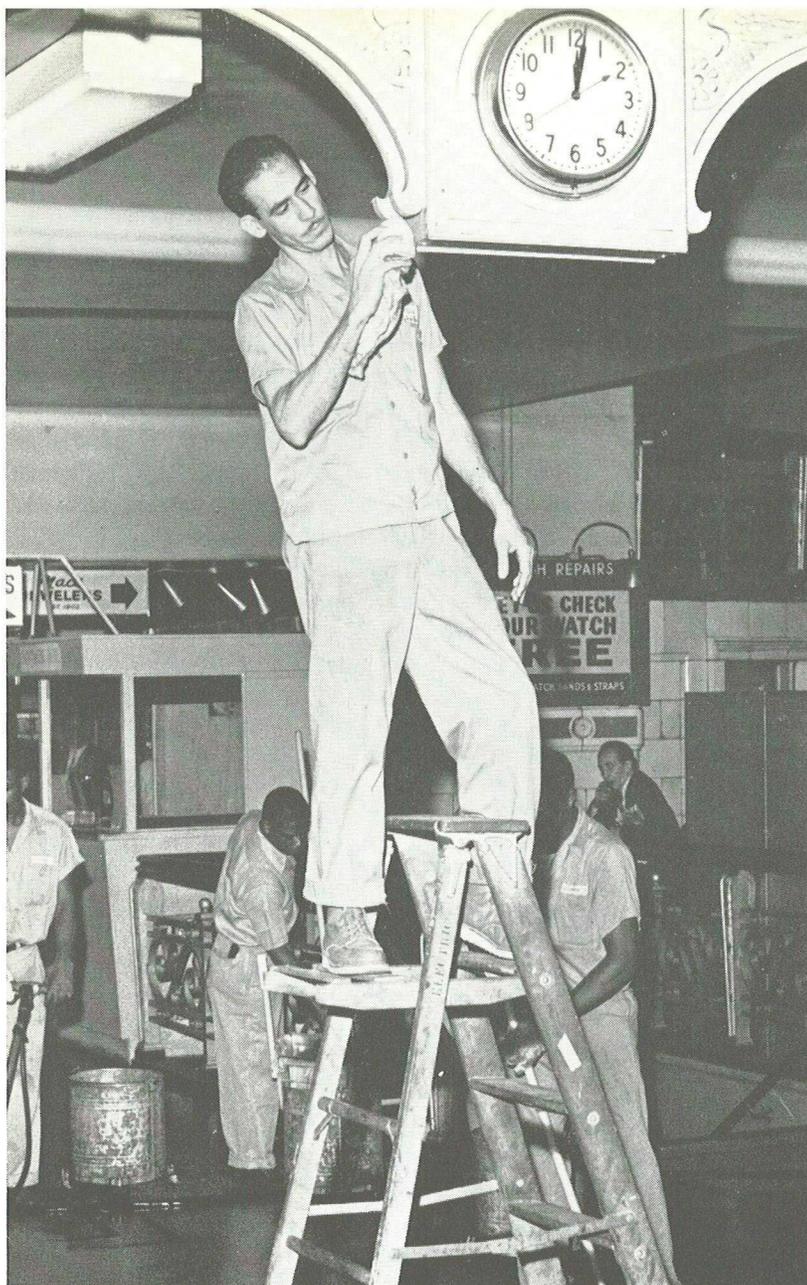
According to present plans, the final phase of the PATH construction program would consist of certain fundamental additions to the existing facilities. These include construction of a major new bus-rail-parking transportation center above a rebuilt PATH station at Journal Square in Jersey City, and a new Hudson Terminal in lower Manhattan within the Hudson Tubes-World Trade Center area, and provision of transfer stations at Harrison, Secaucus and Bergen Junction. The proposed transfer stations, under study by the New Jersey Division of Rail Transportation, PATH and the commuter railroads, would provide passengers of virtually all northern New Jersey commuter lines with convenient, across-the-platform transfers to the PATH or Pennsylvania Railroad systems into Manhattan.

### *New PATH Car Fleet*

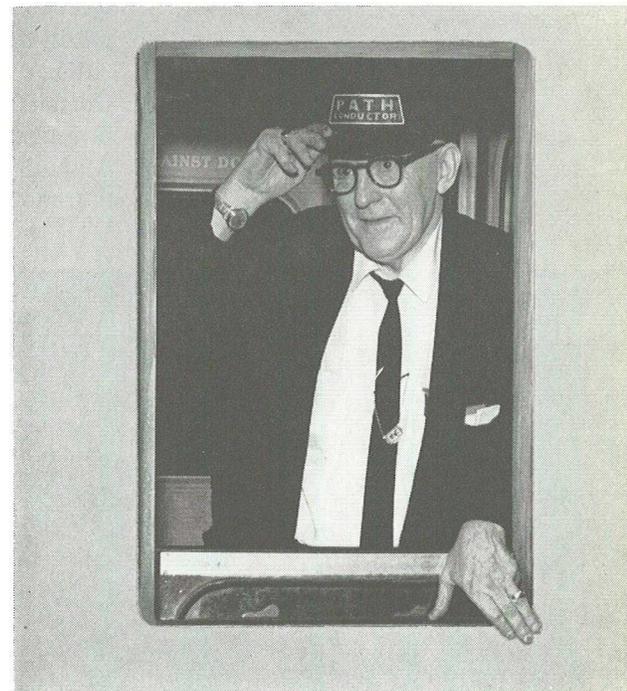
On November 1, 1962, PATH solicited proposals for the design and manufacture of 250 modern, air-conditioned rapid transit cars of new and modern design to replace the antiquated equipment used by the Hudson and Manhattan Railroad. The leading transportation equipment manufacturers were asked to submit design proposals for a vehicle of new concept which would be especially adaptable to the peculiarities and restrictions of PATH's right-of-way.

It was expected that a contract for the manufacture of several "lead" or test cars would be awarded by May or June, 1963, following intensive analyses of proposals by PATH staff and expert consultants. The first of these new cars would have been delivered for road testing within one year of contract award. Following the test period, a full production run of cars would be ordered with such modifications as were indicated by the testing program. The first production car then would have been delivered in 1965 and the last car early in 1966.\*

\* By coincidence, design and price proposals were offered by five car builders on February 20, the morning following the adverse 3-2 Appellate Division decision of February 19. As a matter of propriety and proper respect for a decision of one of the high courts of the State of New York, it was concluded that it would be improper for the Port Authority to open the proposals which the manufacturers had prepared. The proposals, therefore, were returned unopened to the prospective car builders pending a final court decision on the constitutionality of the Hudson Tubes-World Trade Center legislation. The services of the consultants retained to evaluate the proposals were suspended on the same day.



*One minute after PATH assumed operating responsibility for the former H & M on September 1, 1962, work forces (at left) began a system-wide program of cleaning, scrubbing, painting and repairing public and employee areas. Below, a former H & M conductor prepares for the start of his first trip under the PATH aegis.*



### *PATH Traffic and Operating Revenues, 1962*

Passenger traffic on the PATH system in 1962 (including the eight months of private ownership) totalled 29,182,000—a decline of 7.5 per cent from the 31,560,000 riders in 1961. The bulk of the passenger decline during the year was attributed to the increase in interstate fare, from 25 cents to 30 cents per ride, put into effect by the H & M on October 30, 1961. An additional loss of at least 235,000 passengers resulted from suspensions of service on PATH's uptown line (between New Jersey points and the 33rd Street terminal in Manhattan) in October and December. The four-day October suspension and the sixteen-day suspension in December were required in the interest of safety because of difficulties encountered by the contractor for the New York City Transit Authority in the construction of a new subway tunnel directly below PATH's tunnels.

Passenger gross revenues for the year 1962 registered an increase of 5.6 per cent over the previous year—to \$7,920,000—principally because of the increased interstate fare. In the closing months of the year, however, gross revenues showed a decline when compared with the closing months of 1961, during which the fare structures were the same.

### *PATH Financing*

PATH is expected to incur annual deficits upward of five million dollars.

Under the legislation permitting the Port Authority to acquire the Hudson & Manhattan, it is possible for the Authority to absorb these deficits within its financial structure, since the statute contains a provision limiting the future extension of the Port Authority into any other transit deficit operation. This provision constitutes a legally enforceable contract between the two states and the Authority's bondholders.

The limit to which the Port Authority can undertake new transit facilities which are likely to produce deficits, according to this legislation adopted by both states, is measured by formula. The basic principle of this formula is that no new transit facility may be undertaken if, at the time, the anticipated transit deficits, including those of the Hudson Tubes, exceed 10 per cent of the amount then in the Port Authority's General Reserve Fund.

The PATH program, therefore, will not, in the judgment of the Port Authority Commissioners, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds. Neither will it impair the ability of the Authority to fulfill its many commitments, including its undertakings to the holders of Consolidated Bonds.



*An artist's concept of a possible concourse development at PATH's new Hudson Terminal with spacious well-lighted central areas, attractive consumer services and high-speed motor stairs to train platforms.*

### *New York State Railroad Equipment Program*

Important strides were made in 1962 in implementing the Port Authority-administered New York State Railroad Equipment Program. Created by the State of New York in 1959, this program is designed to provide public financial assistance in the purchase of critically-needed passenger car equipment for lease to three commuter railroads operating in the New York City area. Concurrent legislation was enacted by the New York and New Jersey State Legislatures under which either state could act to make the Port Authority administrator of any program serving that state's commuter rail equipment needs.

During the year, the New York State program accomplished the delivery to the New York Central Railroad of fifty-three new, air-conditioned commuter cars, with seats for some 7,000 passengers, and the award of a contract for the manufacture

of thirty new cars to be leased to the Long Island Rail Road. The Long Island cars will accommodate 3,750 commuters, and are scheduled to be delivered and placed in service by late summer, 1963.

At the close of the year, a general agreement on the purchase and lease of fifty new cars had been reached between the Port Authority and the Trustees of the bankrupt New Haven Railroad. The agreement was subject to the approval of the Federal Bankruptcy court to which the Trustees are responsible. However, when the agreement was submitted to the Federal Bankruptcy court on January 29, 1963, the railroad's Trustees declined to recommend unconditional approval of the agreement they had signed—and the Court imposed conditions on its approval. These conditions were deemed by the Port Authority and the Comptroller, Attorney General, and the Office of Transportation of the State of New York to be inconsistent with the authorizing legislation and therefore not capable of acceptance. As a result, there is at this time no agreement in effect for additional cars for the New Haven under this program.

### *Financing of New Cars*

At the time the Railroad Equipment Program was authorized in 1959, the New York Legislature began action leading to a constitutional amendment to permit the car purchases to be financed by the sale of special Port Authority commuter car bonds, payable solely from car rentals, the principal and interest of which would be guaranteed by the State.

To meet immediate financing needs, however, the State of New York made funds available to the Port Authority to finance the first stage of the car program involving the New York Central.

Of the fifty-three cars built for the New York Central, 27 were purchased at a cost of \$4,154,466 by the Port Authority with the funds advanced by the State. The remaining 26 cars, costing \$4,000,929, were purchased with funds provided by Despatch Shops, Inc., a New York Central subsidiary.

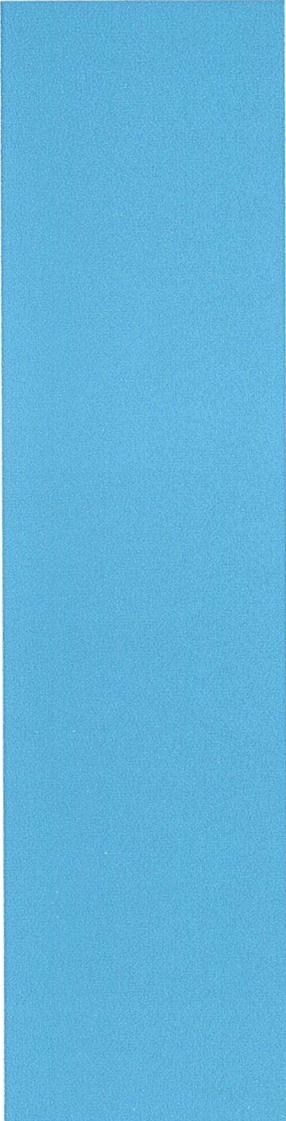
The second stage of the program, involving the Long Island and, if possible, the New Haven, is being financed entirely by the proceeds of the State-guaranteed Port Authority car bonds. An amendment to Section 7, Article 10, of the New York State Constitution, approved by the New York electorate in November, 1961, permits the State to guarantee up to \$100-million of these special Port Authority bonds.

On August 9, 1962, the First Series of State-guaranteed Commuter Car Bonds, in the principal amount of \$5,475,000, was sold at an average annual interest cost of 1.942 per cent. The proceeds of the sale are being used to finance the new Long Island cars. Under its agreement with the Port Authority, the Long Island is making rental payments which are equal to the debt service on the outstanding car bonds.

At year's end, the Port Authority and the New York Central were moving toward a refinancing of the Central's car purchase through the State-guaranteed car bonds. Under such an arrangement, the State and the New York Central's subsidiary would be repaid for the funds each advanced towards the new cars. The Central would then pay rental on the cars equal to the debt service on the refunding bonds.

The purchase of any additional cars for lease to the New Haven would be financed with the proceeds of another State-guaranteed Port Authority bond issue.

The legislation authorizing the State's Commuter Car Program carefully protects the Port Authority's financial structure and assures its integrity. The Port Authority can neither derive revenues nor incur expenses from the car leasing program which may in any way add to or detract from the revenue or reserves pledged to Consolidated Bonds or any other outstanding Port Authority bonds. The principal amount of any such railroad car bonds is not included in determining the amount of the Authority's General Reserve Fund.



**E**ARLY in 1962, the legislatures of New Jersey and New York authorized the Port Authority to undertake a vital port development project including the construction of a World Trade Center and the acquisition and rehabilitation of the Hudson and Manhattan Railroad.\*

Following the authorization of the project, the Port Authority established a World Trade Department. The new department is responsible for the World Trade Center, the Port Authority's port commerce program, and activities related to participation in the 1964-65 New York World's Fair.

Guy F. Tozzoli was appointed Director of the new department. Richard C. Sullivan was named Deputy Director of the Department and Director of The World Trade Center.

### *The World Trade Center*

The World Trade Center would stimulate and simplify world trade activity in the Port of New York by bringing together the basic government and business machinery vital to the flow of foreign cargoes through this port. It would be designed to house the activities of the United States Bureau of Customs, customs brokers, freight forwarders, foreign consulates, shipping firms, exporters and importers, international banking operations, insurance companies and other agencies connected with foreign trade.

The Center would provide areas to serve as an international market place for buyers and sellers. It also would centralize trade information agencies in the Port of New York, making their operations more effective and efficient. Here, the international businessman would have one-stop access to all the product displays, services and agencies he needs to enter world trade or to expand his world trade activities. The improved services and the savings in time and money made possible by the Center would enhance substantially the competitive position of the Port of New York.

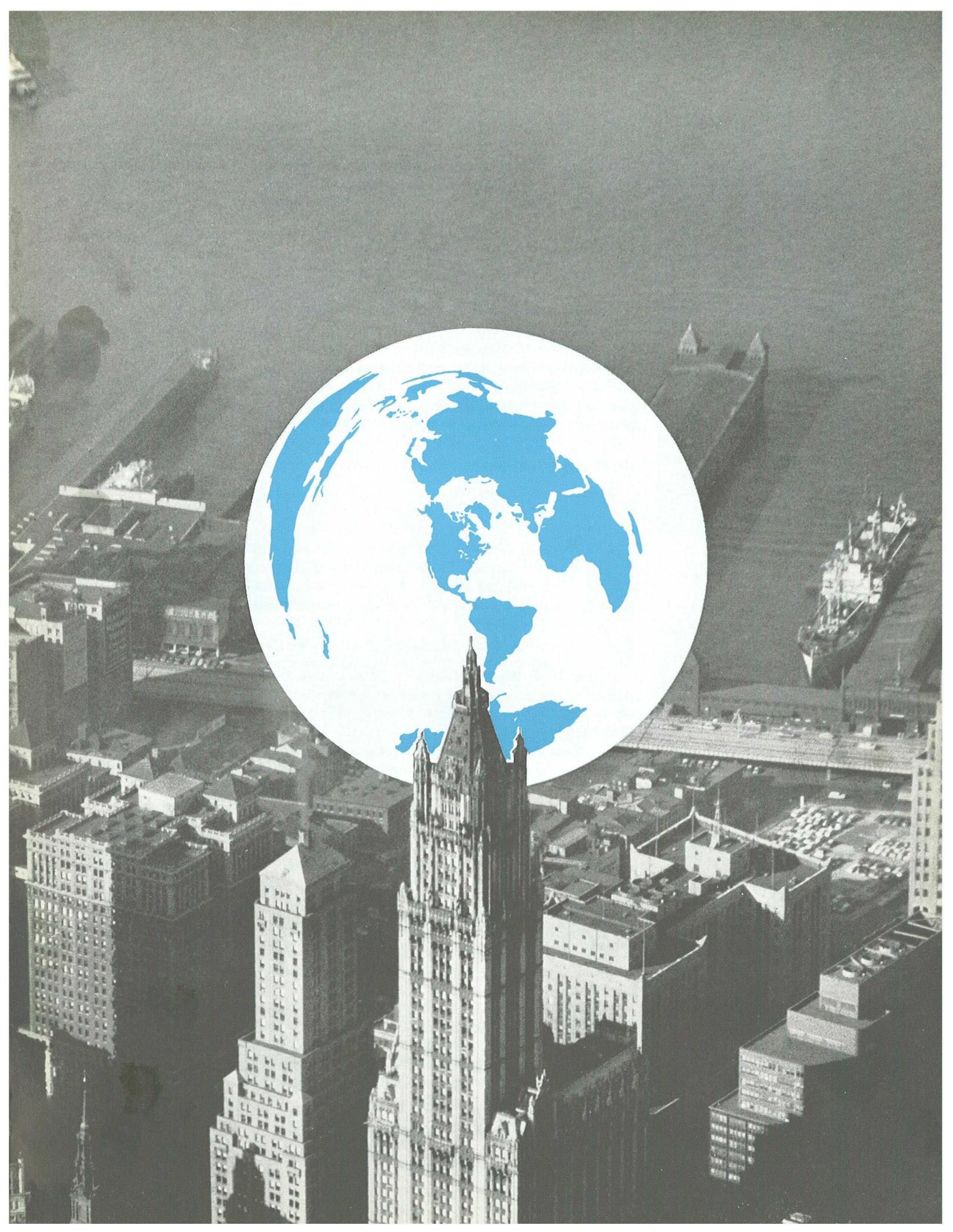
President John F. Kennedy, Secretary of the Treasury Douglas Dillon, and Secretary of Commerce Luther Hodges have expressed their enthusiastic support for The World Trade Center project. The United States Department of Commerce is especially interested in the favorable impact the Center will have on the expansion of the United States export trade.

The Center would be located within a 15-acre site on the west side of lower Manhattan bounded by Barclay and Vesey Streets on the north, Church Street on the east,

\*See footnote page 34.



World Trade



Liberty Street on the south and the Hudson River on the west. This site is immediately adjacent to the traditional concentration of world trade services in lower Manhattan and is ideally situated with respect to subway and other transportation facilities. The project would encompass about 9 million square feet of floor area and would require an investment of about \$270 million.

### *Negotiations Begin*

During 1962, negotiations were begun with appropriate agencies of the Federal Government and with other governmental agencies and private firms to determine their requirements for space in the Center.

The key World Trade Center participant would be the United States Bureau of Customs. After several months of intensive study, the Port Authority, in cooperation with various Customs agencies, developed a plan for consolidating in the Center the presently separated offices of the various Port of New York Customs functions. This plan was favorably received by Customs officials in New York as well as in Washington, D.C., and detailed joint studies of these requirements were undertaken.

### *Architects Selected*

The information gathered in discussions with Customs and other potential tenants would form the basis for the development of a functional plan for the Center. During the year, the Port Authority selected Minoru Yamasaki and Associates of Birmingham, Michigan as architects and Emery Roth & Sons of New York City as associated architects for the project. These firms, whose accomplishments have won national acclaim, are developing a master plan, design drawings and construction cost estimates in close cooperation with Port Authority staff members.

### *Transportation Section—World's Fair*

During 1962, the Port Authority made notable progress in carrying out its program of planning and developing a Port Authority exhibit for the 1964-65 New York World's Fair and of serving as the Fair's agent in the planning and leasing of the Fair's Transportation Section.

The Port Authority became a participant in this project in 1960 when the Fair Corporation asked the Authority to be responsible for planning and negotiating rentals for the Transportation Section on an all-expense-recoverable basis. This section covers a total of 80 acres, of which approximately 50 are available for rental to exhibitors.

### *Exhibit Plans Move Forward*

The Port Authority's exhibit at the Fair will be a dramatic Heliport and Exhibit Building covering over 60,000 square feet and located prominently in the center of the Transportation Section. The structure will rise 120 feet on four stately columns. A rooftop heliport, 200 feet long and 150 feet wide, will serve as the air gateway to the Fair. Directly below the heliport will be restaurant facilities commanding a spectacular view of the entire Fair Grounds.

The Port Authority exhibit will be located at ground level. Its dominant feature will be a unique circular motion picture theater with a 360° screen. Here, the audience will be surrounded completely by breath-taking visual and audio effects depicting the vast facilities of the Port of New York. Other displays reflecting the activities of the Port and the Port Authority will also be shown.

The construction of the Heliport and the Exhibit Building was started in 1962, and is moving forward on schedule. Work is also under way on all phases of the design and production of the Port Authority exhibit itself.

### *Industry Negotiations Continue*

In its responsibility for planning and leasing the Transportation Section, the Port Authority is continuing its negotiations with leading industries in the transportation field. Leases have been signed with the three major exhibitors, Chrysler, Ford and General Motors. The General Motors and Ford areas are the largest individual sites in the entire Fair. Work on these exhibits is underway. The Chrysler Corporation exhibit will cover more than five acres. Construction is scheduled to begin early in 1963.

One of the most dramatic developments in 1962 was the revelation of General Motors' plan for its forward-looking "Futurama" building and the plans for the Ford Pavilion. While detailed information has not been released by either company, the General Motors "Futurama" ride will accommodate 70,000 visitors daily, more than double the capacity of General Motors' highly popular ride at the 1939-40 Fair. The Ford Pavilion's show is being created by Walt Disney and will feature a trip through a fantasy land of the past, present and future.

Also in 1962, the Greyhound Corporation agreed to establish an exhibit within the Transportation Section featuring a partially automated restaurant typical of the facilities available to a Greyhound passenger along the highways of tomorrow.

The other transportation exhibitors who have already signed leases are the Sinclair Refining Company, the United States Rubber Company, the Transportation and Travel Pavilion, the Marine Center and SKF Industries, Inc. Toward the end of the year, lease documents were being prepared for the operation of an auto thrill show.

Out of the 2,065,000 square feet available in the Transportation Section, over 1,633,000 square feet, or 79 per cent of the total, were committed by the end of 1962.

### *Trade Development Under the Trade Expansion Program*

The Federal Government's Trade Expansion Program and the final passage of the Trade Expansion Act were two of the unusually important steps taken last year to meet the challenge of the European Common Market and to increase the volume of this country's export trade. Through its nine Port of New York Trade Development Offices, the Port Authority continued to seek shares of this future growth for the Port District. From our offices in New York, Washington, Pittsburgh, Cleveland, Chicago, San Juan, London, Zurich and Rio de Janeiro, trade development representatives contacted nearly 15,000 business and government executives in 42 countries in their quest for increased foreign trade for the Port of New York.

In addition, a special representative made a six-week trade promotion trip to Japan, the Philippines, and Hong Kong. This marked the Port Authority's first venture into the Orient to promote trade with New York's most important trading partners. In October, an inaugural visit to Greece, Turkey and Israel was made to strengthen trade relationships there with the Port of New York.

Because of their special knowledge of trade conditions gained from first-hand experience abroad, overseas Trade Development Office representatives on home-leave in the United States traditionally spend time speaking to shipper groups and clubs throughout major commercial centers in the United States, stressing the advantages of shipping via the Port of New York. This year, Port Authority staff members ad-



*The US. trade expansion program gets a boost in Istanbul, Turkey where Henry C. Klingman (right) inspects the port's shipping facilities. Mr. Klingman is Manager of the Port Authority's Continental Trade Development Office in Zurich, Switzerland.*

dressed groups in New York, Syracuse, Columbus, Cleveland, Kansas City (Mo.), Detroit, St. Louis, Reading and Cedar Rapids. Their talks included such topics as the Alliance for Progress, the European Common Market and the economic trading climates of specific overseas areas.

In April, the Port Authority, with the support of local port business leaders, held another highly successful Port of New York Seminar in New York. This, the fourth in a series of annual trade development programs held in major cities of the United States, attracted about one-hundred invited representatives of "blue-chip" manufacturers in foreign trade. South of the border, the Port Authority held a Transportation and Traffic Seminar for foreign traders in Caracas, Venezuela.

On the domestic scene, the Eastern and Cleveland Offices intensified their coverage of Eastern Canada in recognition of an upsurge in competition between New York and Canadian ports for Canadian traffic. The Washington Office sought to increase New York's share of Government trade in the face of growing competition from the Great Lakes ports. In addition, the efforts of the Washington Office helped to produce for the Port of New York a gain in tonnages of strategic ores and minerals for stockpiling at the General Services Administration depot in Belle Mead, New Jersey.

### *Promoting the Port's Advantages*

The Port Authority further intensified its efforts during the year to acquaint exporters and importers throughout the world with the superior facilities and services available for handling international commerce at the Port of New York. These efforts included the close liaison maintained with the United States Department of Commerce and the Regional Export Expansion Council in support of the Administration's Trade Expansion Program.

The Port Authority's newest motion picture, *SIXTY-SEVEN SOUTH*, scored two high honors. It was cited for the Blue Ribbon Award of the 1962 American Film Festival and the Chris Certificate Award of the 1962 Columbus Film Festival. This film, together with the earlier award-winning *FABULOUS DECADE* released in 1959, helped tell the story of the Port of New York to more than 600,000 persons in 4,400 separate showings. Both color films were produced by the Port Authority staff and are available with narratives in seven different languages. Under an arrangement with the United States Information Agency, 85 prints of these films are being circulated for viewing throughout the world. In addition, a 20-minute silent color film was prepared on the subject of containerization at the Port.

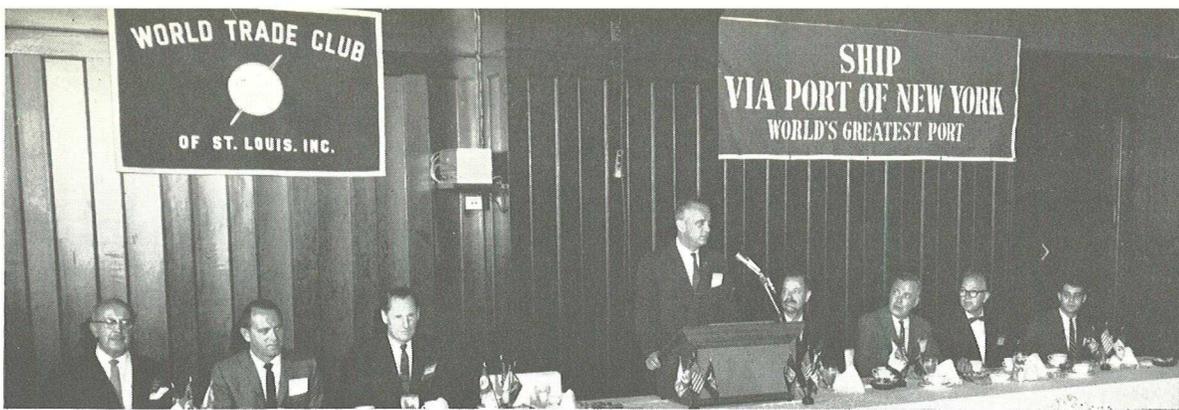
Circulation of the increasingly popular monthly commerce magazine, *VIA PORT OF NEW YORK*, grew more than ten per cent in 1962. It is now read by some 25,000 exporters, importers and other international businessmen in the United States and in most Free World countries. In support of the Federal Government program to expand United States exports, a special June edition of the magazine was devoted entirely to the subject of Export Expansion. About 40,000 copies of this edition were distributed to actual and potential exporters by the World Trade Department and by the United States Department of Commerce. Other specialized issues included a Japanese edition (in February) and an air shipping edition (in November).



*Robert F. Unrath (right) receives Blue Ribbon Award of the 1962 American Film Festival for the Port Authority's trade development film *SIXTY-SEVEN SOUTH* from Paul Reed, Editor of *EDUCATIONAL SCREEN AND AUDIO VISUAL GUIDE*.*

### *The Task of Keeping New York Competitive*

The Port Authority's responsibility to protect the commerce of the Port of New York involves the never-ending and arduous task of analyzing each and every tariff revision published or proposed, and evaluating its impact on the flow of trade through the New York-New Jersey Port. In 1962, the Port Authority made many appearances before the Interstate Commerce Commission, the Federal Maritime Commission,



*Members of the World Trade Club of St. Louis hear an address by Louis F. Zwartverwer, Assistant Manager of the Port Authority's Continental Trade Office, Zurich, Switzerland.*

various carriers, and rate bureaus and conferences to uphold favorable shipping costs and practices at the bi-state port.

### *Port Equalization Hopes Raised*

Among the most important and oldest rate cases involving the Port Authority are the Port Equalization Case and the Iron Ore Case. Both of these deal with the archaic differentials on export-import railroad rates which normally require that charges between the Port of New York and Midwestern points be established at 60 cents per ton higher than those prevailing at Hampton Roads and Baltimore, and 40 cents per ton above Philadelphia. This significant cost differential has tended to divert traffic to lower cost ports. Up to this point, such diversions have been especially apparent among low-value and bulk commodity shippers who are more readily influenced and attracted by low rates.

The Interstate Commerce Commission, in June, 1961, had ruled against the proposal to equalize these charges. In February, 1962, the United States District Court in Boston set this ruling aside as unlawful. This paved the way for appeal by opponents of port equalization before the United States Supreme Court, where the case is scheduled for argument early in 1963.

In the Iron Ore Case the Commission's adverse decision has been remanded to the Commission for reconsideration. The Commission's earlier decision had denied New York equalized rail rates with Philadelphia and Baltimore on imported iron ore consigned to the Youngstown, Ohio area. The Iron Ore Case has been docketed for re-hearing by the Commission in early 1963.

The Port Authority has staunchly supported the New York railroads in their efforts to rid the Port of New York of these onerous and discriminatory rate levels, and it is hoped that 1963 will bring favorable decisions in both cases.

### *Railroad Merger Proposals Become More Complex*

The three railroad consolidation cases affecting the Port of New York, namely, the proposed Norfolk and Western-Wabash-Nickel Plate system, the Pennsylvania-New York Central combination, and the Baltimore & Ohio-Chesapeake & Ohio stock control case, each became more complex in 1962, with additional railroads and other parties intervening and broadening the issues. Though control of the B&O by the C&O won final approval from the Commission in December, the two other cases give evidence of developing into long and protracted proceedings. The year 1962 stands as one in which attempts were made to crystallize the issues, define the areas of public interest and acknowledge new parties in interest.

The Port Authority has clearly recognized the urgent need for swift solutions to the worsening economic plight of the Port of New York's ailing railroads. In the public interest, the Port Authority has taken the position before the ICC that the only approach to an ultimately well-balanced eastern rail system is to consider all three proceedings as one integrated problem, rather than to continue on the present path of piecemeal solution. Of particular concern to the Port Authority has been the

fact that, while the economically-sound N&W has implied that there will be an inclusion of the deficit-ridden Erie-Lackawanna Railroad in its future expanded network, it has avoided any concrete assurances of this intention. Therefore, the Port Authority had requested that the Commission delay for one year its action on this proposed merger to explore the possibility of inclusion of the Erie-Lackawanna.

The Pennsylvania and New York Central railroads filed applications with the Commission early in 1962 requesting authority to merge. Again the Port Authority intervened, and (in October, 1962, during oral argument in the C&O-B&O case) reiterated its contention that all pending proceedings should be considered together.\* The year 1962 also saw the Pennsylvania Railroad obtain final ICC approval to acquire control of the nearly defunct Lehigh Valley Railroad through stock ownership.

#### *Attempts to Split Unity of Port*

Throughout 1962, the Pennsylvania Railroad continued its efforts before the Interstate Commerce Commission to make lawful a series of "plus" charges at the Port of New York levied principally on deliveries of certain types of perishable foodstuffs and produce originating in the southern areas of the United States. In general, these charges are so constructed that they vary according to the specific destination within the Port District, and thus "split" the unity of the New York Rate Group.

The Port Compact of 1921 was based on the unity of the Port and the pledge of its unified development. In accordance with that pledge the Port Authority has historically taken the strongest position against any transportation rates that would attempt to discriminate in favor of or against any area or section as compared to any other area or section of the Port District. An example of this arose in the "Fruits and Vegetables Case", in which the railroads sought an additional charge of \$57 per carload on fruit and vegetables delivered by carfloat to Manhattan's produce piers along the Hudson River. In its November, 1962 decision, Division 2 of the ICC upheld this charge and thereby reversed completely the Commission Examiner's recommended report and order which held the charges to be unlawful. A petition for reconsideration was filed with the Commission by the Port Authority on January 1, 1963. On the other hand, the Port Authority won a case involving a similar principle—entitled Citrus Fruit-Florida Points to New York and New Jersey—wherein differential delivery charges on trailer-on-flatcar movements of citrus fruit to points in the Port District were declared unlawful. In this instance, the railroads have filed a petition for reconsideration.

#### *Domestic Steamship Service Supported*

In keeping with the Port Authority's long-standing position favoring the revival of an economically sound domestic steamship service at the Port of New York, the Port Authority supported "door-to-door" rates between the Port of New York and the Pacific Coast, published by Sea-Land Service, Inc., in connection with the establishment of its new intercoastal containership service in the fall of 1962. The Port Authority also supported Seatrain Lines, Inc. in its efforts before the Commission to require Texas railroads to reduce their connecting rates with Seatrain on aluminum articles moving from Texas to the Pennsylvania-New Jersey area via New York. These cases are all pending decision by the Interstate Commerce Commission.

\*The Port Authority also took the position that the proposed merger of the Pennsylvania and the New York Central should not be approved unless (a) as a condition to permitting the merger, the Norfolk & Western Railway is required to include the Erie-Lackawanna in its merger proposal and (b) the Pennsylvania is required to divest itself of its stock ownership in the Norfolk & Western Railway.

### *Other Important Proceedings*

The Port Authority was equally active in numerous other cases of special significance. It supported New York foreign freight forwarders in their fight against steamship conference agreements denying brokerage payments. The Port Authority also succeeded in extending the New York Commercial Exempt Zone (wherein local motor cartage is free from ICC rate regulation) to the Elizabeth-Port Authority Piers. This extension was limited, however, to cargoes having a prior or subsequent waterborne movement, such as is the case at Port Newark.

The Port Authority also appeared before the Federal Maritime Commission in support of Agreement No. 8200. This Agreement assures shippers to the Far East of the continuance of stable ocean rate relationships between Atlantic and Pacific Coast port ranges. Our support of the Agreement was subject to the proviso that special "overland" ocean rate reductions granted by the Pacific Westbound Conference should not encroach unfairly upon Atlantic port traffic by their application to origins east of the Mississippi River.

### *Air Commerce*

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

An important CAB proceeding of concern to the Port of New York is the United Air Lines, Inc.—Competitive Service Investigation (Docket No. 12837) involving service between the Port District and Cleveland. At present, this market and several other major domestic air markets are served by only one airline as a result of the United Air Lines-Capital Airlines merger in 1961.

The Port Authority is supporting authorization of an effective competitive air service between the Port District and Cleveland to insure an adequate quality and quantity of service for the air passengers traveling between these two leading metropolitan areas. This market ranks eighth among the nation's domestic air markets. Hearings have been completed in this proceeding and a final CAB decision should be forthcoming in 1963.

**The following is a complete list of the cases in which the Port Authority has participated 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**

<b>Docket</b>	<b>Subject</b>	<b>Status</b>
<b>FMC 831</b>	Payment of brokerage by steamship companies to foreign freight forwarders.	Court reversed FMC decision that steamship conference agreements which prohibit or limit amount of brokerage to foreign freight forwarders to less than 1¼% of ocean freight charges are contrary to public interests. Denied by appellate courts.
<b>ICC I&amp;S 6074</b>	Equalization of import iron ore rail rates from North Atlantic ports to Central Freight area points.	* ICC finding that equalized iron ore rates at N.Y. are unjust and unreasonable remanded by court to ICC for further proceedings. Re-hearing before ICC scheduled for January, 1963.
<b>ICC I&amp;S 7344</b>	Combination rail-water-rail coastwise rates on plastics from Texas to East.	* ICC Division 2 required all-rail rates to be generally 5 per cent higher than competitive rail-water-rail coastwise steamship rates. Petition for reconsideration by railroads denied by ICC. Proceedings discontinued.

Docket	Subject	Status
FMC 816	Investigation of general practices of Atlantic and Gulf port terminal operators.	No further hearing dates set by FMC.
FMC 906	Agreements, charges, commissions and practices of North Atlantic Westbound Freight Association.	* Steamship lines advised FMC of termination of practice of paying brokerage to freight forwarders using certain North Atlantic ports other than New York. Proceedings cancelled.
ICC 33234	Reduced transcontinental railroad rates on canned goods.	Finding of Examiner that reduced rates were not for purposes of eliminating intercoastal steamship competition upheld by ICC.
ICC 33479	Combination rail-water-rail coastwise commodity rates.	* Recommended report of Examiner required railroads to establish joint commodity rates with coast-wise steamship lines not more than 5 per cent below corresponding all-rail rates. ICC decision pending.
ICC MC-C-3437	Regulation of motor carriage incidental to air transportation.	ICC petitioned by motor carrier groups to establish exempt zone for motor carriage incidental to air transportation smaller than proposed by CAB. Proceedings pending before ICC.
ICC 33105	Port "splitting" railroad rates on fruits and vegetables to points in the Port of New York.	ICC Division 2 found rates now shown to be unjust or unreasonable. (Appeal to ICC filed January 7, 1963.)
ICC 33899	Port "splitting" railroad rates on melons to points in the Port of New York.	Ultimate decision in ICC 33105 (above) to be binding in this proceeding.
ICC 33293	Port "splitting" coastwise steamship rates on frozen juice and fruits to points in the Port of New York.	Examiner recommended application of "plus charge" for deliveries to Manhattan by Sea-Land Service, Inc. Exception filed, ICC decision pending.
ICC 33927 33951	Port "splitting" trailer-on-flatcar rail rates on citrus fruit to points in the Port of New York.	* ICC found differentiated "plus charges" to specified points in Port District unjust and unreasonable. Railroad petition for reconsideration filed and pending.
ICC Ex parte MC-37 M-C-2	Extension 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, but denied requested removal of waterborne restriction at Elizabeth and Port Newark. ICC denied petition for reconsideration. Proceedings cancelled.
ICC I&S 6615	Equalization of railroad export-import rates between New York and other North Atlantic ports.	* ICC decision denying equalization overruled by Federal District Court. Decision appealed to Supreme Court of the United States. Argument scheduled for early 1963.
ICC I&S 7558	Port "splitting" transcontinental railroad rates on lumber to points in the Port of New York.	* Higher carfloat and lighter delivery rates at New York withdrawn by railroads pending decision by ICC.
ICC I&S 7709	Reduced railroad rates for grain storage at Baltimore, Philadelphia, and Norfolk.	* Proceeding cancelled following withdrawal of rates.
ICC 33934	Sea-Land Service intercoastal "any-quantity" commodity rates.	* Protested by motor carriers and freight forwarders, but found to be just and reasonable by Examiner. ICC decision pending.
ICC 33362 33373	Connecting rail rates on coastwise movement of aluminum articles from Texas to Pennsylvania and New Jersey via New York.	All-rail rate reductions from Texas to East opposed as not reflected in connecting rail rates between Texas origins and port cities on rail-water coastwise movements of aluminum articles. Oral argument held before ICC. Decision pending.

Docket	Subject	Status
ICC 34121	Sea-Land Service intercoastal container- ship commodity rates.	Protested by transcontinental railroads and freight forwarders. ICC hearings scheduled for January, 1963.
ICC I&S 7808	Beet sugar from Western origins to Central Territory.	Western Trunk Line and Transconti- nental Territory railroad rate reduc- tions on refined beet sugar to Central Territory destinations protested by Eastern cane sugar refiners. Hearings held during 1962. ICC decision pend- ing.
MA 3-137	American-Hawaiian Steamship Com- pany application for Title XI Mortgage Insurance for construction of inter- coastal containerships.	Hearings held in 1962. Maritime Ad- ministration decision pending.
FMC 872	Joint agreement No. 8200 between steamship lines of Far East Conference and Pacific Westbound Conference.	FMC entered into investigation of inter-conference agreement covering Far East ocean rate relationships be- tween Atlantic and Pacific ports. Hear- ings held and briefs filed. FMC deci- sion pending.
ICC Fin. 21510 21514	Proposed merger of N&W-Nickel Plate-Wabash railroads.	ICC hearings held in 1961 and 1962. Decision pending.
ICC Fin. 21989	Proposed merger of Pennsylvania-New York Central railroads.	Application filed with ICC. Hearings held during 1962 and others scheduled for 1963.
ICC Fin. 21160 21238	Stock control of Baltimore & Ohio Railroad by Chesapeake & Ohio Rail- way.	Report of Examiner recommended C&O stock control of B&O. Oral argu- ment before ICC held October, 1962. Approved by ICC.

### Proceedings Before the Civil Aeronautics Board

12285	Renewal of Northeast Airlines' New York-Florida route. The Port Author- ity supports continued authorization of a third nonstop airline between the Port District and Miami/Ft. Lauder- dale.	Hearings completed. Examiners' Ini- tial Decision due shortly. CAB deci- sion expected in 1963.
7723	Review of airline service pattern be- tween the U.S. and Pacific points. The Port Authority supports additional pol- ar route service to Far East.	CAB approved second polar route be- tween Port District and Far East but President disapproved because of for- eign policy considerations. Further CAB consideration now in progress.
9973	Investigation of air coach service in nine Port District markets. The Port Authority supported improved coach service to Buffalo, Cincinnati, Roches- ter and Syracuse and non-reservation service to Washington, D.C.	* CAB terminated investigation in 1962 without a decision because of lack of information on jet coach service. All improvements sought by the Port Au- thority are being provided.
13204	Helicopter airline subsidy allocations. The Port Authority supports the allo- cation of adequate subsidy to enable New York Airways to provide service between Manhattan and the airports.	Hearings not yet scheduled.
10067	Reviewed authorization of the domes- tic all-cargo airlines. The Port Author- ity supported the continued certifica- tion of the all-cargo carriers.	* CAB continued certification of three- all-cargo carriers.
8305	Service by Allegheny Airlines between Port District and New Jersey and Pennsylvania points. The Port Author- ity supported continued nonstop au- thority for Allegheny to Harrisburg.	* CAB continued nonstop authority for Allegheny to Harrisburg.
13577	Review of transatlantic U.S. Flag air- line service.	Hearings scheduled for Spring, 1963.

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



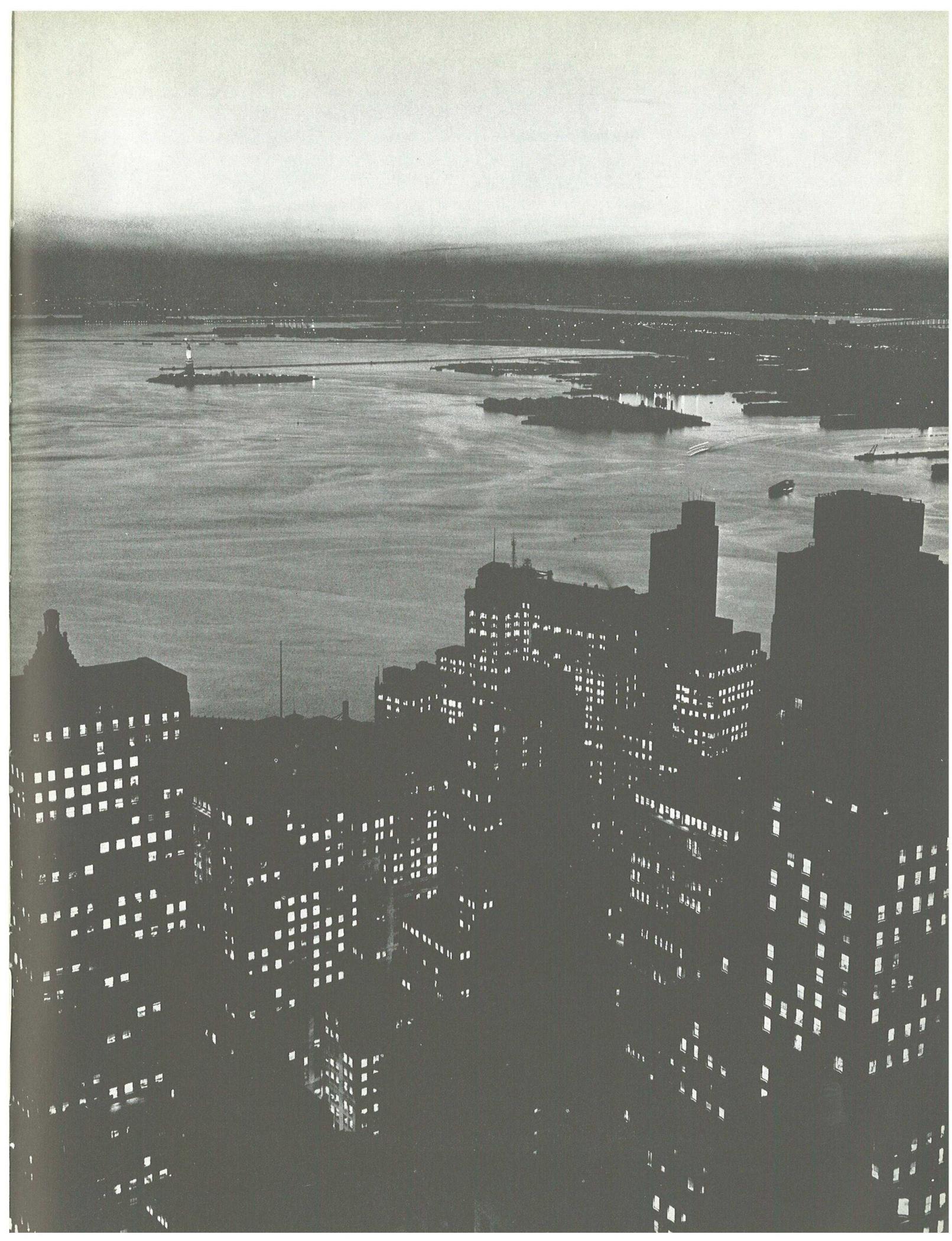
THE Port Development Department analyzes the effectiveness of existing transportation facilities and plans for the future transportation and terminal needs of the Port District. This work is carried out in close cooperation with federal, state, county and municipal agencies and with various business and civic organizations in New York and New Jersey.

During 1962, future railroad operations and developments received much attention. Other planning efforts were devoted to regional highways, the improvement of channels and waterways and marine facilities, regional mass transportation, the need for specific transportation facilities, and the flow of trade through the Port.

#### *Comprehensive Planning Report*

During the year, a comprehensive planning report, *Metropolitan Transportation, 1980*, was virtually completed. Work on this project was undertaken as part of the Port Authority's continuing effort to identify those basic factors in the region which contribute to long-range transportation trends and resultant needs. As such, the report is intended to provide a framework for the planning of future transportation facilities. It evaluates the background of the New York-New Jersey metropolitan area in terms of its population, employment patterns, the structure of commerce and industry, and transportation technology. It covers domestic and overseas air travel, passenger ship travel, and travel within the region on mass transportation facilities and highways. A substantial portion of the report deals with problems of freight transportation and prospective developments in land, sea and air modes of conveyance and handling.

## Port Development



### *Railroad Planning*

During 1962, the Port Authority gave substantial staff support to the Tri-State Transportation Committee in carrying out various phases of its over-all program. Staff members worked with the Committee on a study of railroad marine operations in the Port of New York. The study concluded that the consolidation of certain Port railroad marine operations—such as towing, joint equipment usage, and marine repair facilities—would be operationally feasible, and that the participating carriers could achieve significant savings. The Tri-State Transportation Committee presented the results of the study to the Governors of New York, New Jersey and Connecticut and to the railroad industry with the recommendation that negotiations be initiated by the carriers to achieve a consolidated marine service in New York Harbor.

The Committee has now undertaken a new study which will examine the possible economies and increased efficiency which could be derived from consolidating the existing railroad lighterage terminals and related rail facilities in the Port. The Port District railroads which operate lighterage facilities are cooperating in this study. The Port Authority will participate by helping to collect and analyze essential data.

### *Highway Planning*

During the year, the Port Authority worked closely with the New Jersey Highway Department and the New Jersey Turnpike Authority on plans to improve and expand the Secaucus approaches to the Lincoln Tunnel. The Turnpike Authority's work will consolidate several interchanges in the Secaucus-North Bergen area, while the Highway Department moves ahead with planning and constructing a major expansion of Route 3 (including a new Hackensack River Bridge) and other interchange improvement between N.J. Route 20 on the west and U.S. Routes 1-9 on the east. In conjunction with this work, plans are now being developed to improve and modify Lincoln Tunnel approach roads for better access and greater capacity. The entire improvement is scheduled for completion in the Spring of 1964.

During 1962, the staff cooperated with the Tri-State Transportation Committee on a study of ground access to New York International Airport. This study included a detailed analysis of current traffic delays in service between the East Side Airlines Terminal and the airport, and analyses of a number of potential ground transportation services designed to alleviate such delays.

This year also saw considerable progress on the planning of the Nassau Expressway, which has been under consideration by New York State and the City for a number of years. Because of the close relationship of this new expressway to New York International Airport, the Port Authority has participated actively in its planning with other agencies and their consultants. It is expected that this facility will be under construction in the near future.

### *Marine Planning*

As in past years, the Port Authority continued to support the improvement of channels and waterways directly affecting the flow of commerce through the Port of New York by urging Congressional approval and appropriations for projects vitally affecting the Port. During 1962, Congress appropriated \$1,537,000 for the South Channel project and \$1,500,000 for Flushing Bay. The project for South Channel, which is a part of the New York-New Jersey channelways which extend from Raritan Bay along the western shore of Staten Island via the Arthur Kill and Kill Van Kull to Upper New York Bay, will give New York Harbor a new 35-foot

deep by-pass entrance from the ocean to Raritan Bay, thereby eliminating a dangerous intersection between ocean-going and scow traffic. The Flushing Bay project will provide deep-water access to the New York World's Fair and serve as a permanent navigational improvement in that part of the Port.

Congress also acted to make possible the federalization of the Port Elizabeth Channel and increasing by \$1 million the limit on funds which could be spent on improving the New York State Barge Canal. In addition, Congress authorized a number of review studies of additional projects that had been recommended by the Port Authority.

An evaluation of the proposed Champlain Waterway was made to determine the benefits, to both upstate New York and to the Port of New York, which could result from its modernization. This analysis provided the basis for Port Authority support of the proposed project study during hearings before the New York State legislative committee which was studying the proposal.

*Transportation Research and Statistics*

In November, the Port Authority conducted an origin-and-destination survey of PATH and trans-Hudson ferry passengers in order to acquire information for use in planning new passenger facilities included in the modernization program of the former Hudson Tubes, as well as for general planning purposes. This involved the distribution, collection and analysis of 150,000 questionnaires.

For the fourth year, data were collected on origins and destinations of trans-Hudson vehicular traffic to identify the travel patterns of users of Port Authority trans-Hudson facilities. Similar information was also compiled this year on users of the Port Authority's Staten Island bridges and, through the cooperation of the New York Thruway Authority, on traffic over the Tappan Zee Bridge.

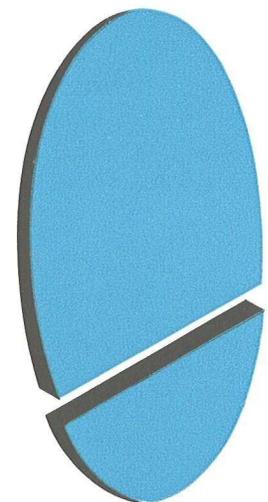
The data collection program on bus passengers using the Port Authority Bus Terminal was also continued. In that instance, survey techniques were broadened to increase the scope of the data and to improve the reliability of the results.

Early in the year, in cooperation with the New York-New Jersey Transportation Agency, the Port Authority completed its phase of a journey-to-work survey of employees working in Manhattan between Chambers Street and 59th Street. The survey was designed to develop, for the first time, detailed information on the routing, costs, times, modes of transportation, and various other facts about commuting to and from places of work in the Manhattan Central Business District.

The Port Development Department also studied the usage of the Lincoln Tunnel Parking Lot and the roof parking facility at the Port Authority Bus Terminal. This analysis measured the performance of each to determine the relationship which exists between a peripheral parking operation which provides common carrier service into the Central Business District and a parking facility centrally located in that District.

The year saw continued activity in trade research and analysis. The Annual Report on Foreign Trade at the Port of New York reviewed import and export trends at the New York-New Jersey Harbor. Staff members also evaluated the performance of the St. Lawrence Seaway and its impact upon trade at the Port of New York, and prepared economic data to assist in the Port Authority's trade solicitation and port protection programs. Marketing studies on the contribution of a World Trade Center in expanding the region's overseas trade were also carried out, as were analyses of foreign trade legislation and regulations. As well, reports were prepared on the competitive relationship among United States ports, and a program was instituted to analyze overseas air cargo traffic as a supplement to analyses of oceanborne trade.

**TOTAL U.S. GENERAL CARGO**  
 IMPORTS AND EXPORTS (LONG TONS)  
**30,498,787**  
 (FIRST 6 MONTHS—1962)



NEW JERSEY - NEW YORK  
**PORT'S SHARE**  
 OF GENERAL CARGO  
 IMPORTS AND EXPORTS (LONG TONS)  
**6,916,510**

THE Port of New York Authority consists of twelve Commissioners, six of whom are appointed by the Governor of New Jersey and six by the Governor of New York with the advice and consent of the Senate of each State. These Commissioners shape and direct the policies and activities of the Port Authority under the Compact which established the bi-state agency on April 30, 1921. Members of the Board of Commissioners are leaders in business, finance, law and civic affairs in the Port District. They are appointed to serve without pay for overlapping terms of six years.

At the Annual Meeting of the Board in April, 1962, S. Sloan Colt of New York City was re-elected by his fellow Commissioners for his fourth 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 third 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.

Honorary Chairman Howard S. Cullman in 1962 began his thirty-sixth 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 Brothers, 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

## Administration



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

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 1962 for the twentieth 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 eleventh consecutive year in 1962.

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

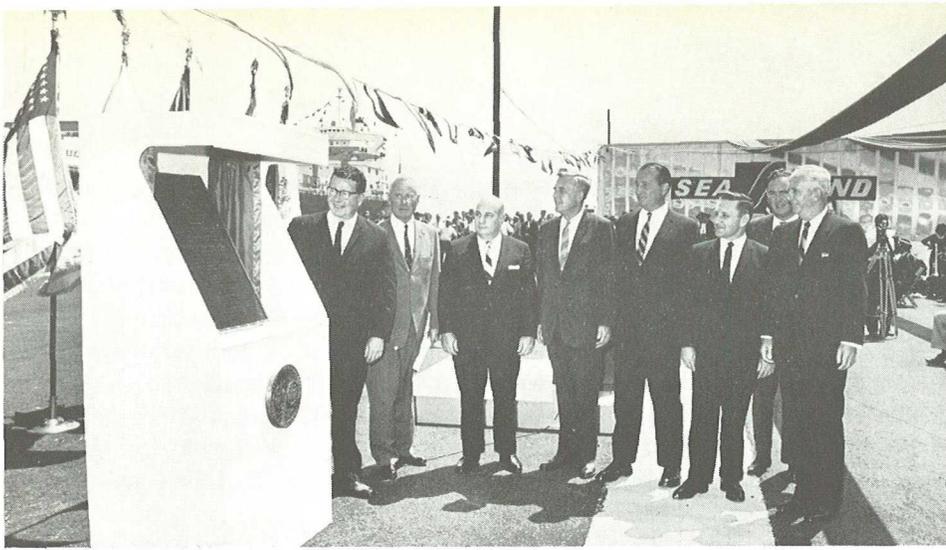
The Port Authority is organized into "line" and "staff" departments which report to the Executive Director. The line, or facility operating units, are the Aviation, Terminals, Marine Terminals, Rail Transportation, Tunnels and Bridges and World Trade Departments. The Port Authority's subsidiary, the Port Authority Trans-Hudson Corporation, is the responsibility of the Rail Transportation Department.

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 organizational 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.

*Honorary Chairman Howard S. Cullman addresses guests at the dedication of the lower level of the George Washington Bridge. Shown seated on the right are S. Sloan Colt, Chairman of the Port Authority; Nelson A. Rockefeller, Governor of New York; and New Jersey Governor Richard J. Hughes.*





*The unveiling of a bronze tablet commemorating the opening of the first stage of the Elizabeth-Port Authority Piers development project and the arrival of the first vessel is witnessed (left to right) by New Jersey Governor Richard J. Hughes, Port Authority Chairman S. Sloan Colt, Mayor Hugh J. Addonizio of Newark, former New Jersey Governor Robert B. Meyner, Mayor Steven J. Bercik of Elizabeth, Mr. Michael R. McEvoy, President of Sea-Land, Inc., Port Authority Vice Chairman James C. Kellogg III, and Mr. Malcolm P. McLean, Chairman of Sea-Land Service Service, Inc.*

*The Basic Concept of The Port Authority is Upheld by the Federal Courts*

In November 1962, the Supreme Court of the United States refused to disturb or review the decision of the Court of Appeals for the District of Columbia which unanimously reversed the contempt conviction of the Port Authority's Executive Director, Austin J. Tobin. The federal courts thus upheld the basic constitutional principles which the States of New York and New Jersey had been obliged to defend in the face of an attack launched in February, 1960 by Representative Emanuel Celler of Brooklyn.

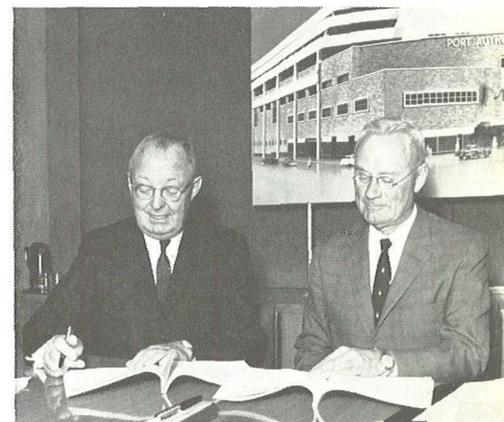
The controversy arose when Congressman Celler, in his capacity as Chairman of the Anti-Trust Subcommittee of the House Judiciary Committee, launched a sweeping investigation of the Port Authority and demanded that his staff be given access to all the Port Authority's working files. This demand by federal authority for the internal memoranda, day-to-day correspondence and other work papers of a State agency posed obvious problems of constitutional law and principle going to the heart of our federal system of government. Accordingly, the Commissioners of the Port Authority referred Congressman Celler's demand to Governors Rockefeller and Meyner with a request for their guidance.

With the Governors' authorizations, the Port Authority made available to Mr. Celler's staff the minutes of the meetings of the Port Authority's Board and its Committees in which are recorded all of the Authority's actions, Annual Reports and Financial Reports, annual Audit Reports of independent outside auditors, and a mass of other official materials. Nonetheless, in June 1960, identical subpoenas were served on the Port Authority's Chairman, its Executive Director and Secretary calling upon them to produce, in addition to the official documents already furnished, the memoranda, day-to-day correspondence and other work papers in the agency's files, including every report made by any member of the executive staff to the Commissioners.

Governors Rockefeller and Meyner saw "grave questions of constitutional propriety" arising from these subpoenas. The Governors requested but were denied an opportunity to meet with Mr. Celler's Anti-Trust Subcommittee before the return of the subpoenas to try to resolve these grave questions.

Both Governors thereupon instructed the subpoenaed Port Authority officials to appear in response to the subpoenas, attended by the Attorneys General of both States, and to seek an adjournment to permit the Governors personally to present their States' views to the Committee. The Governors directed the Port Authority officials, in writing, pending such a meeting with the Committee, "not to produce the internal memoranda, work-sheets, day-to-day correspondence and other materials," requested by the subpoenas.

*F. W. Ackerman, Chairman of the Board of the Greyhound Corporation, and S. Sloan Colt, Chairman of The Port of New York Authority are shown here signing a 20-year lease under which all Manhattan operations of the Greyhound Corporation will be moved into the Port Authority Bus Terminal. It is expected that this move will be accomplished by mid-1963.*





*Commissioner Donald V. Lowe (right) accepts the Presidential Export "E" award for the Port Authority from U.S. Secretary of Commerce Udall. The bi-state agency was accorded this honor for its "significant contributions to the export expansion program of the United States."*

On June 29, 1960, the return day of the subpoenas, the proceedings before the Subcommittee under Mr. Celler's chairmanship were directed toward and quickly culminated in a ruling of default against the three Port Authority officials in order to subject them to criminal prosecution for contempt. The contempt charge was tried as a test case against the Executive Director only, before Judge Luther W. Youngdahl of the United States District Court for the District of Columbia, without a jury, in January 1961. On June 15, 1961 Judge Youngdahl held Mr. Tobin guilty of contempt. An appeal was immediately taken to the Court of Appeals for the District of Columbia Circuit and was argued there on Mr. Tobin's behalf by former Governor Thomas E. Dewey. The Court of Appeals unanimous reversal of the conviction was announced on June 7, 1962.

The precise holding of the Court of Appeals was that Congress never authorized the Committee to subpoena "all of the administrative communications, internal memoranda and other intra-Authority documents demanded." The Court held that the most Congress authorized was an investigation limited to what the Port Authority had done as distinguished from the details of its internal operations. On this basis, the Court ruled that Mr. Tobin had actually produced, pursuant to Gubernatorial instructions, all the documents to which the Committee was entitled.

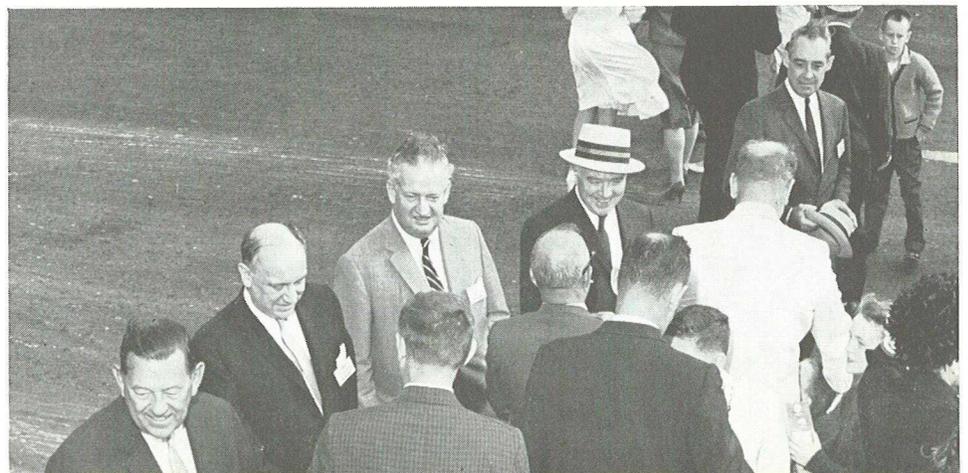
While basing its holding on the ground that the Committee went far beyond the bounds of its authorization, the Court nevertheless expressly recognized the many grave questions of constitutional law precipitated by Congressman Celler's attack on the Port Authority. The Court emphasized two of these issues—whether the subpoena was an unconstitutional invasion of State power under the Tenth Amendment and whether Congress has the power to alter, amend or repeal its consent to the interstate compact creating the Port Authority.

The Court accepted the States' argument that Congress does not have the power to "alter, amend or repeal" its consent to an interstate compact merely because it reserved that right in the consent resolution. This power, said the Court, must exist separately under the Constitution in order effectively to be reserved. Pointing out that the Constitution does not expressly confer such a power and that its existence must be implied, the Court characterized the States' arguments against the existence of such implied power as "not unpersuasive."

The Department of Justice applied for a rehearing before the entire bench of the Court of Appeals, but the application was denied. The Department of Justice then petitioned the United States Supreme Court to review the Court of Appeals holding. On November 13, 1962, the Supreme Court announced its denial of the Government's petition for review.

Thus, this litigation came to an end. The final result is most gratifying to those concerned with the ability of the Port Authority to continue effectively to serve the two States as their local port development agency. Also at stake in this test case and affirmed by its result is the continuing usefulness of the interstate compact as a device for the solution of local problems which cross state lines.

*Guests debark at Port Elizabeth during the thirteenth annual inspection of Port Authority facilities conducted for New Jersey legislators. Meeting the legislators are (diagonally, left to right) Commissioner John J. Clancy, Robert F. McAlevy, Jr., and Charles W. Englehard, Executive Director Austin J. Tobin, and Deputy Executive Director Matthias E. Lukens.*



## *Investigation and Study by New Jersey State Senate*

On September 12, 1960 a New Jersey State Senate resolution was passed authorizing “. . . a full and unlimited investigation and study . . .” of the Port Authority’s “. . . current operations, plans and proposed future projects . . . and its financial operations, including surpluses . . .” in order to determine whether or not the bi-state agency was fulfilling “. . . its statutory duties and obligations.” The seven-man Senate Commission was headed by Senator Frank S. Farley as Chairman.

Executive Director Tobin sent a letter to Senator Farley on September 13th, saying in part:

*“The Commissioners of The Port of New York Authority have asked me to assure you, Mr. Chairman . . . that they and the staff of the Port Authority are ready and willing to cooperate in any way possible in the work of the Committee. We are prepared to meet with the Committee at any time and to provide any information regarding the activities of the Port Authority which the Committee may desire.”*

Initial hearings before the New Jersey Senate Commission, charged with studying the Port Authority’s operations, plans and future projects, were opened in the Assembly Chamber in the State House in Trenton on September 27 and 28, 1960. Representing the Board of Commissioners were Vice Chairman Kellogg and Commissioners Clancy and Stillman.

Vice Chairman Kellogg presented the opening statement on behalf of the Port Authority, stating that the Port Authority is a bi-state agency of New Jersey and New York and would cooperate fully with any New Jersey Senate Commission designated to conduct an investigation of the Authority. He then discussed the background and history of the Port Authority as well as current programs.

In mid-December of 1960, the Commission spent two days conducting a comprehensive inspection of the Lincoln Tunnel, Bus Terminal, West 30th Street Heliport, New York International Airport, Port Newark and Port Elizabeth, and Newark Airport. It also requested and received reports on the George Washington Bridge Expansion and Bus Station. A month later, the Commission announced a further set of hearings to be held on “. . . all phases of commuters’ problems.”

Accordingly, on January 26 and 27, 1961, additional hearings were held in Trenton, with Chairman Colt and Vice Chairman Kellogg present, as well as Commissioners Clancy, Lowe, McAlevy and Stillman. It was at this hearing that the Port Authority announced that it was prepared to go forward with the purchase, reconstruction and operation of the Hudson & Manhattan Railroad. All aspects of the commuter problem were explored. Testimony was given by: State Highway Commissioner Dwight Palmer; Earl T. Moore, President of the Central Railroad of New Jersey; Mayor Thomas Taber of Madison and Joseph Harrison, Chairman and Counsel, respectively, for the Morris County Railroad Transportation Association; Frank E. Tilley, Chairman of the Transit Committee of Bergen County; Augustus S. Dreier, Counsel for the Inter-Municipal Group for Better Rail Service; Ross Nichols of the Newark Economic Development Committee; S. Westcott Toole, President of the Newark Association of Commerce Industry; William Stock, President of the Hoboken Chamber of Commerce; and Thomas N. Stainback, Executive Vice President of the Jersey City Chamber of Commerce.

At the end of these hearings, Senator Farley asked the Port Authority to produce for the Commission's next hearing ". . . a complete breakdown of income and expenditures . . ." This Port Authority report was accordingly submitted to the Commission on May 1, 1961.

In addition, the Commission requested and received a comprehensive report on Port Authority facilities and operations in February 1961.

The Commission retained the firm of Peat, Marwick, Mitchell & Co. to audit the books of the Port Authority and to examine the Authority's financial policies. This firm placed a team of five accountants in Port Authority offices. In accordance with their request, all books, records and files were made available to them. After a four month's detailed analysis this firm submitted a 75-page report to Senator Farley.

This report was formally and publically submitted at the third hearing of the Commission, held on August 30, 1962 by William Morrison, resident manager of the auditing firm. At that hearing Mr. Morrison said:

*"All through the investigation The Port of New York Authority was extremely cooperative. At no time did we feel that they were withholding anything or at any time obstructing our investigation. . . ."*

*"We could see absolutely no evidence of any effort to hide anything. They were always cooperative."*

*"My impression of the fiscal management of the Port Authority is that it is very shrewd, quite able, and I have nothing but the utmost respect for the manner in which it has been handled over the years"*

*"I would say that one impression I got . . . was that the one thing that characterizes the Port Authority is integrity."*

In its formal audit report of The Port of New York Authority, Peat, Marwick, Mitchell & Co. made the following statements and came to the following conclusions:

*"The published reports of the Authority are a fair presentation of the results of operation of the various funds and reserves. However, such reports are not, and are not intended to be, a reflection of the profitability of the Authority. There are strong arguments that the concept of profitability is not even applicable to a governmental body such as the Port Authority. . . ."*

■ ■ ■

*"The Port of New York Authority, like many other public authorities, lies in the half-way area between government and business in that it is certainly a governmental body but it is expected to operate on business principles. The Authority's accounting procedures reflect its government-business nature. Publically, in its published reports, it does not make use of depreciation accounting procedures. The Authority does not earn any 'profits.' On the other hand, were its facilities unprofitable, it would not have been able to finance their construction in the first place."*

■ ■ ■

*". . . The Authority's financial structure is based on a single enterprise, pooling of revenues concept. Individual facilities are not financed independent of the rest of the Authority. The facilities contribute their revenues for debt service according to their earning power without regard to the amount of bonds which were issued for their construction. For these reasons any presentation of net revenues after debt service for individual facilities is not based on actual fact. As pointed out by the Authority in submitting its report, such a presentation can only be based on arbitrary assumptions."*

*"One thing the Authority's report does clearly indicate is that few of its facilities would have been financially feasible without the ability to pool revenues of all facilities."*

*“ . . . while the Authority’s return on its investment in facilities has been steadily decreasing, the average rate paid on new issues of bonds has been increasing. If this trend continues indefinitely, the Authority’s ability to expand its facilities will cease. . . .”*

*“One of the most important factors affecting the rate of return on the Authority’s investment is inflation. The toll rates paid by the bridge and tunnel users have either remained constant or have been decreased since the start of the ten-year period under review. . . .”*

*“Although in the past the vehicular crossings have been the backbone of the Authority’s earning power, unless inflation is stopped it would appear that without increases in the tolls they will slowly lose that position. Needless to say, increasing tolls would not prove very popular and its likelihood in the near future would seem remote.”*

■ ■ ■

*“Briefly stated, our conclusions regarding the financial operations and strength of the Authority are as follows:*

- (1) The Authority at present appears to be in a sound financial condition.*
- (2) The Authority has in recent years experienced tremendous growth.*
- (3) The Authority’s financial strength during the last ten years has remained stable.*
- (4) There are indications that the Authority’s future growth may be slowed by decreases in the rate of return earned on its investment in facilities.”*

■ ■ ■

*“We reviewed a selected number of purchase orders and maintenance contracts of over \$2,500 which were authorized or awarded during 1960. . . .”*

*“Our review in this area showed that the employees were following the Authority’s policies and procedures with respect to the bidding and award of purchase orders and maintenance contracts.”*

*“In our opinion, the Port Authority’s policies and instructions in this area are reasonable, prudent and in accord with good business practice.”*

■ ■ ■

*“We reviewed selected construction contract files over \$12,500 which were authorized or awarded during 1960. . . .”*

*“Our review of construction contracts showed that the Authority’s policies and procedures were being followed. In our opinion, the policies in this area are reasonable, prudent and in accord with good business practice.”*

■ ■ ■

*“ . . . Based upon our observations the over-all administration of the Authority’s insurance program is being handled competently and in compliance with the policies and principles of the Authority.”*

*“ . . . the costs of the Authority’s insurance coverages are favorable and tend to support the practice of using a single broker.”*

*“ . . . In our opinion the Port Authority has followed an accepted business practice by using one (insurance) broker. . . . It appears doubtful that better results could be obtained if multiple brokers had been employed.”*

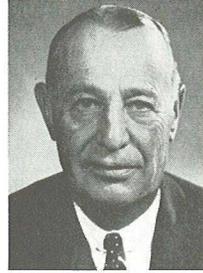
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With respect to the acquisition of real estate the Peat, Marwick, Mitchell & Co. report concluded that:

*“ . . . The procedures followed by the Authority appear to be designed to adequately protect the public interest.”*



S. SLOAN COLT



HOWARD S. CULLMAN



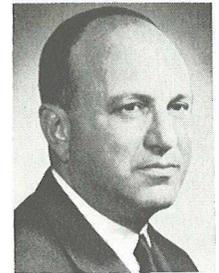
JAMES C. KELLOGG, III



JOHN J. CLANCY



CHARLES W. ENGELHARD



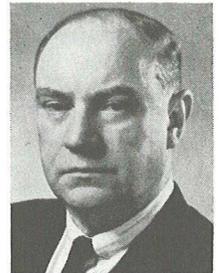
ALEXANDER HALPERN



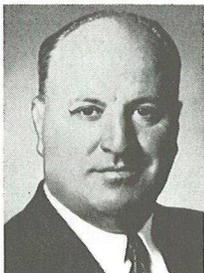
N. BAXTER JACKSON



DONALD V. LOWE



ROBERT F. McALEVY, Jr.



JOSEPH A. MARTINO



BAYARD F. POPE



W. PAUL STILLMAN

## 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 by former Governor Thomas E. Dewey in 1950, by former Governor Averell Harriman in 1956, and by Governor Nelson A. Rockefeller in 1962. He was first elected Chairman of the Authority in 1959.

**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 Herbert Lehman, Thomas E. Dewey and Averell Harriman. Vice-Chairman from 1934 to 1945, 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. He is also a member of the Essex County, New Jersey State and American Bar Associations, and is active in various legal, civic and philanthropic organizations. Commissioner Clancy was appointed to the Port Authority in 1958 by former Governor Robert B. Meyner.

**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 chairman and director of the National Parkinson Foundation, Inc. and director of the Mental Health Association of Westchester County, and is active in civic affairs. He was appointed to the Port Authority Board of Commissioners in 1960 by Governor Nelson A. Rockefeller.

**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**, 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, Leads 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.

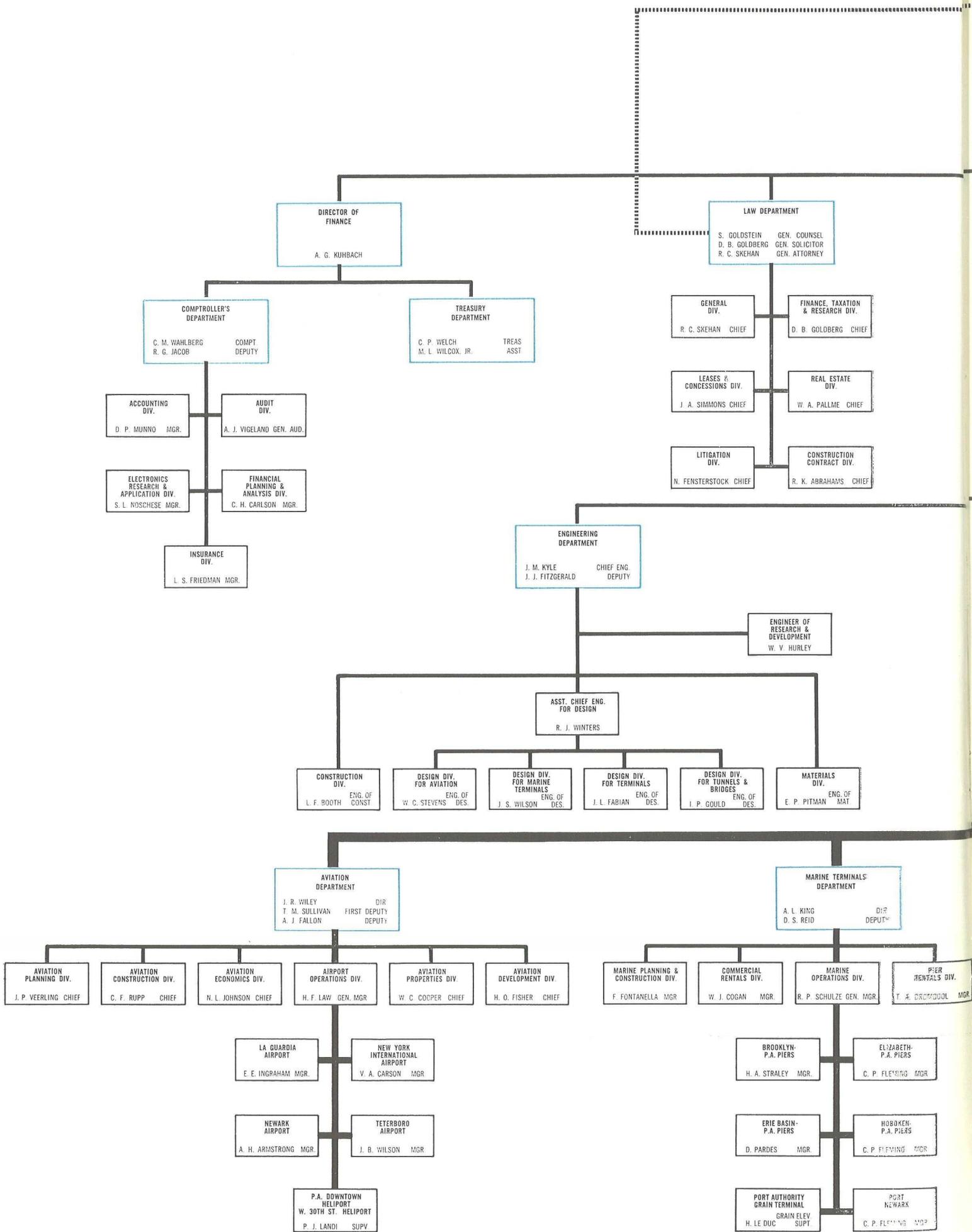
**DONALD V. LOWE** of Tenafly, New Jersey, is president of the Lowe Paper Company. He has served as United States Delegate to the Transportation and Communications Commission of the United Nations. A trustee of the New Jersey Manufacturers Association and a director of its associated insurance companies, 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, reappointed by former Governor Driscoll and by Governor Richard J. Hughes in January, 1963. He was elected Vice-Chairman of the Authority in 1953 and served as Chairman between 1955 and 1959.

**ROBERT F. MC ALEVY, 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.

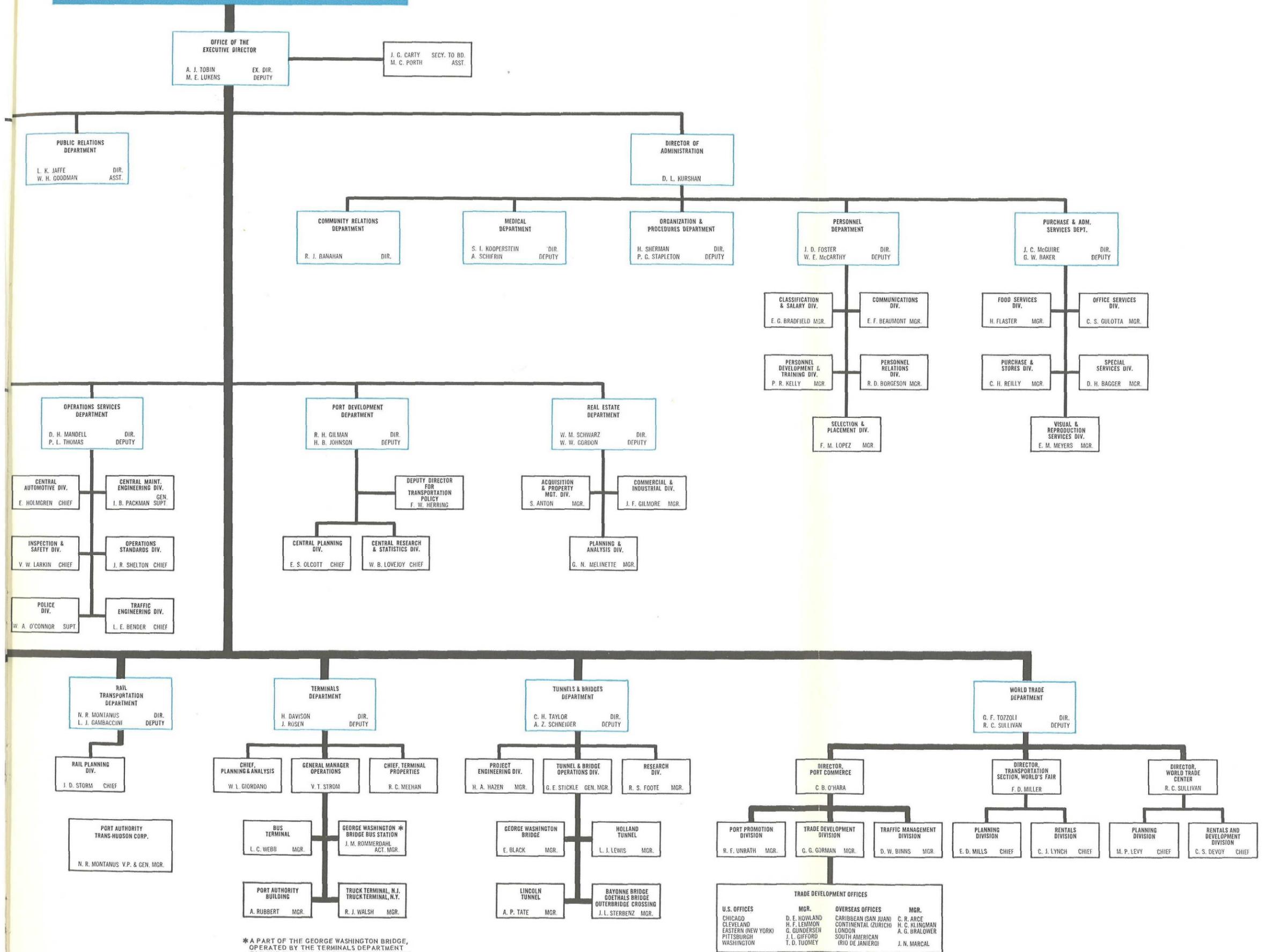
**JOSEPH A. MARTINO** of Manhasset, New York, is president of the National Lead Company. He is a director of the Chase Manhattan Bank and a director or officer of other leading industrial, business and insurance organizations. He is also on the governing boards of outstanding business promotion and advisory 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 Harriman and reappointed by Governor Nelson A. Rockefeller in 1959.

**BAYARD F. POPE** of New York City is a director and a member of the executive committee of the Marine Midland Corporation, having previously served as its chairman of the board for twenty years. He is a director and a member of the executive committee of The Marine Midland Trust Company of New York, and 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.

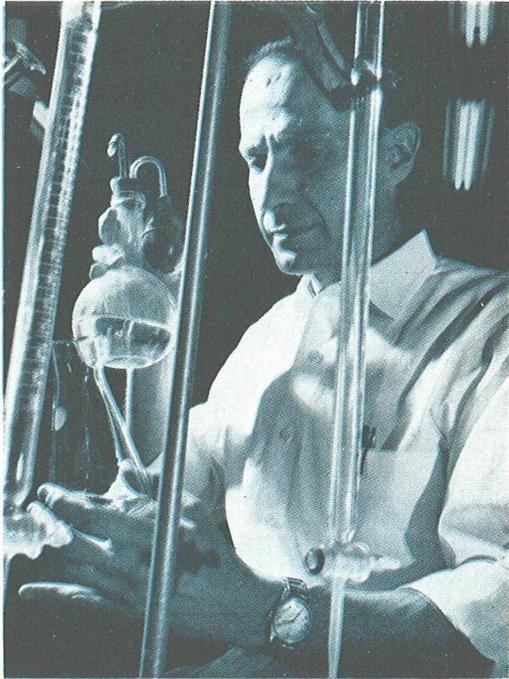
**W. PAUL STILLMAN** of Fair Haven, New Jersey, is chairman of the board of The National State Bank of Newark and the Mutual Benefit Life Insurance Company. He is also a director of several manufacturing, insurance and utility companies, chairman of the finance committee of the Hospital Service Plan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



**THE PORT OF NEW YORK AUTHORITY**  
Board of Commissioners



\* A PART OF THE GEORGE WASHINGTON BRIDGE, OPERATED BY THE TERMINALS DEPARTMENT FOR THE TUNNELS AND BRIDGES DEPARTMENT



THE acquisition by the Port Authority of the Hudson and Manhattan Railroad was reflected during 1962 in an increase in personnel. By the end of the year, our total complement of employees amounted to 5,414 (not including the 1,100 operating members of the PATH organization), compared with 4,985 at the close of 1961. With over 20,000 applicants having competed for the positions now held by the 924 new members of our staff, the favorably high ratio between applications received and employees hired once again characterized our recruitment experiences.

One of the major recruitment drives in 1962 centered about the selection of the Port Authority's first group of women toll collectors. Over a period of several weeks, more than 1,700 women were interviewed to fill the eighty-five positions available. The successful candidates were intensively trained for their important responsibilities to both the public and the Port Authority.

#### *Promotion From Within*

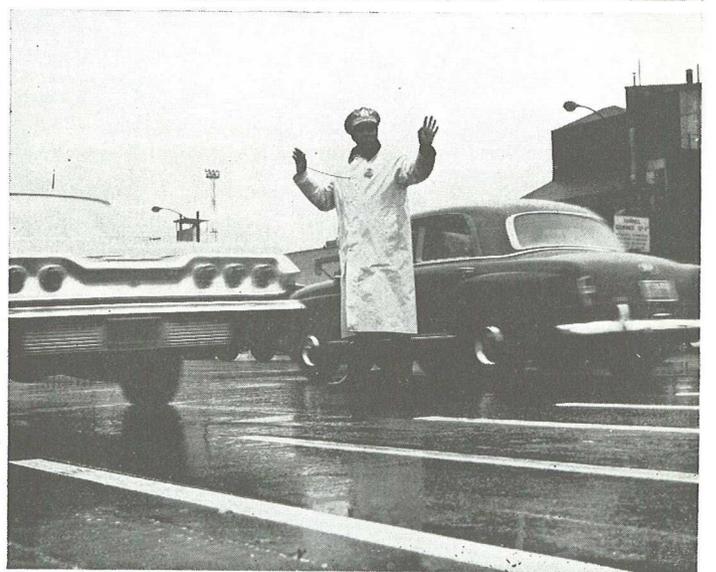
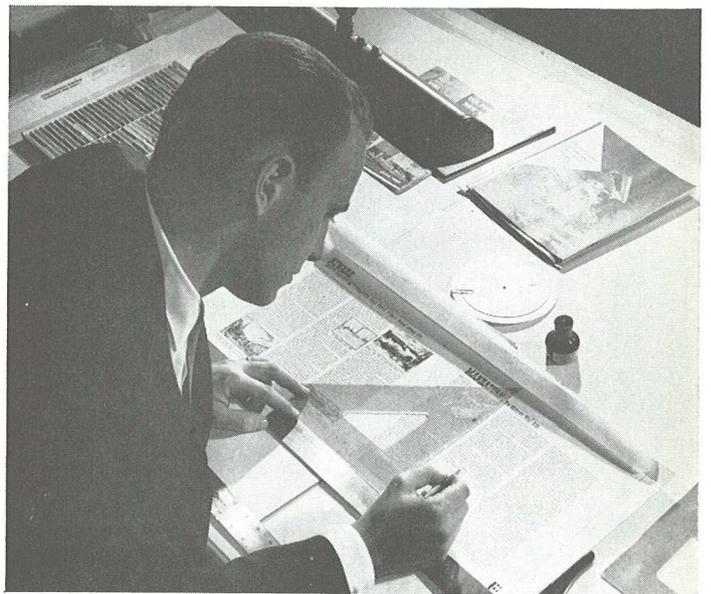
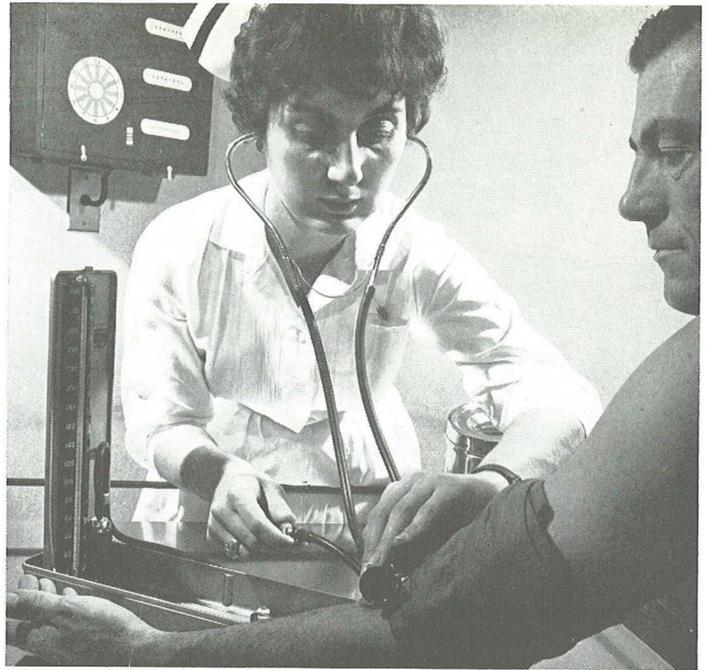
The aim of our competitive promotion program is to insure that each position in more than 879 job classifications is filled by the best qualified people available to us. In every instance, promotional opportunities go first to Port Authority employees. Thus, in 1962, over 1,900 employees participated in our internal promotion program and 670 were promoted. Consistent with this policy was the adoption in 1962 of a new plan for filling positions on the management level. This plan calls for intensive testing of all management personnel at critical points in their careers to establish qualified panels which can be tapped as vacancies occur.

#### *Training and Development Opportunities*

In 1960, shortages of skilled manpower in the electrical and automotive fields led the Port Authority to establish apprenticeship training for talented young men in these fields. In 1962, sixty employees were graduated from these specialized courses.

In-service training and personnel development opportunities were made available again this year to enable the staff to improve on-the-job skills and keep up with trends and advances in their various fields. A total of 437 employees participated in 23 courses, ranging from reading improvement to office practices.

## The Staff



Some 576 employees qualified for Education Refunds for college and other courses related to the work of the Port Authority.

### *Employee Communication*

Employees have always been provided with a wide range of information about Port Authority policies, objectives, and activities. Issued periodically, or as needed, are a variety of guidebooks, a monthly newspaper, and numerous special notices, pamphlets and bulletins. Our 1962 program has placed major emphasis on obtaining information from employees in an "upward" direction through our suggestion system and through a variety of communication media.

### *New Grievance Procedure*

For many years the Port Authority has had an informal, unwritten grievance procedure. We believe that most supervisor/employee problems are avoided or solved through frank and direct discussions. In 1962, we adopted a written procedure to define and settle those problems which could not be resolved in such fashion. As before, the general plan is designed to assist employees, employee organizations, and management representatives in teaching equitable and prompt adjustments of disagreements in the balanced interest of employees, the Port Authority and the public.

### *Medal Awards*

In 1962, eighteen employees were honored for outstanding performance, loyalty and devotion to duty. The *Distinguished Service Medal* was awarded to Henry Druding, Roger Gilman, Charles Greenberg, John A. Murray, Richard Oram and Herman Voss. Three *Commendation Medals* were awarded to Lewis Miles, Philip J. Reilly and Nicholas Sahanas. In addition, the newest medal, the *Executive Director's Award of Achievement*, was presented to Creighton Eldridge, Leon Katz, Paul B. Kossoff, Caesar Pattarini, William Samenko, Timothy Sheehan, Arthur Truss, Robert Unrath and Joseph Zitelli.

Still another honor was marked during the year when the Port Authority's Executive Director, Austin J. Tobin, became the 1962 winner of the Henry Laurence Gantt Medal awarded by the American Management Association and the American Society of Mechanical Engineers. The first public official to be so honored, Mr. Tobin was described in the citation which accompanied the award as a "Distinguished public administrator . . . whose organization, The Port of New York Authority, has become the symbol of efficiency and effectiveness in government."



*Electricians and Automotive Apprentices prepare to enjoy graduation dinner held in their honor at commencement ceremonies conducted under the Maintenance Training Program.*



Financial 1962



**THE PORT OF NEW YORK  
AUTHORITY**

## Basic Policies and Financial Structure

The States of New Jersey and New York directed the Port Authority “. . . to proceed with the development of the Port of New York . . . as rapidly as may be economically practicable.” The Authority, however, 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 for the bi-state agency to develop sufficient revenue potential and to 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.

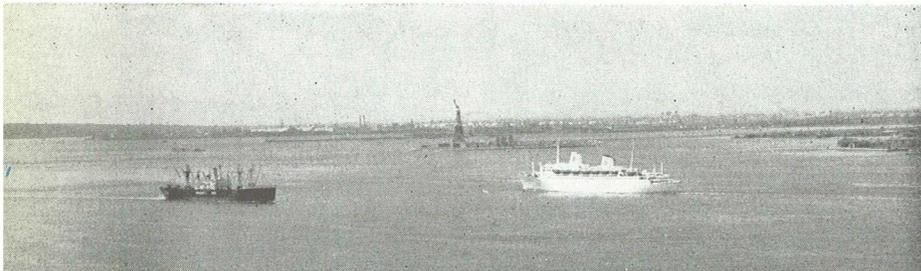
First, the statutes establishing the General Reserve Fund provide for the pooling of revenues to the end that older facilities with established earning power aid new projects during developmental loss periods until they reach their anticipated point of self support.

Second, the Port Authority policy is to maintain, at year's end, a combined amount in all reserve funds at least equal to the next two years' debt service, and to retire funded debt as rapidly as this policy and sound financial management permit. Acceleration of debt retirement before mandatory dates may legally be accomplished out of the reserve fund only to the extent that the reserve funds exceed the next two years' debt service.

Third, bonds for an additional 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 one and a quarter billion dollars has been invested in Port of New York Authority bonds, exclusive of the amounts which have been refunded by later bond issues.



## Combined Operations in Brief

Continued growth in activity at Port Authority facilities produced gross operating revenues of \$135,059,000, an increase of 9.6 per cent over 1961. Operating, administrative and development expenses increased 17.4 per cent to \$65,742,000. Thus, net operating revenues before debt service totaled \$69,317,000, an increase of \$2,068,000 or 3.1 per cent over last year. Investment income from securities held in reserve and operating funds totaled \$4,806,000, and an upward security valuation adjustment of \$2,310,000 produced a total of \$76,434,000 available for debt service and reserves.

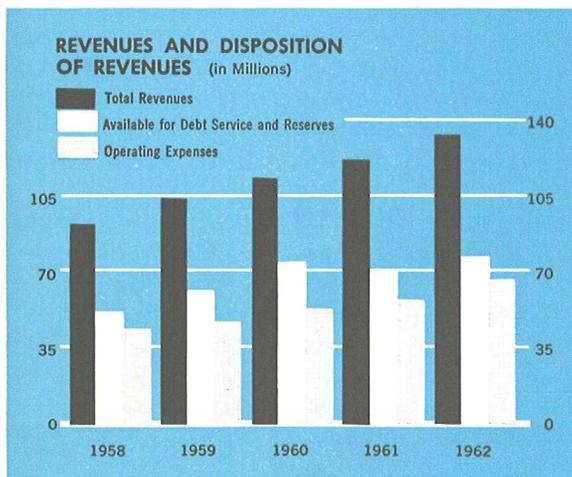
Amortization of long-term debt and interest totaled \$37,057,000 in addition to the payment of \$31,000,000 of Consolidated Notes. In anticipation of future years' debt service, bonds with a par value of \$2,601,000 were retired at an amortized cost of \$2,038,000.

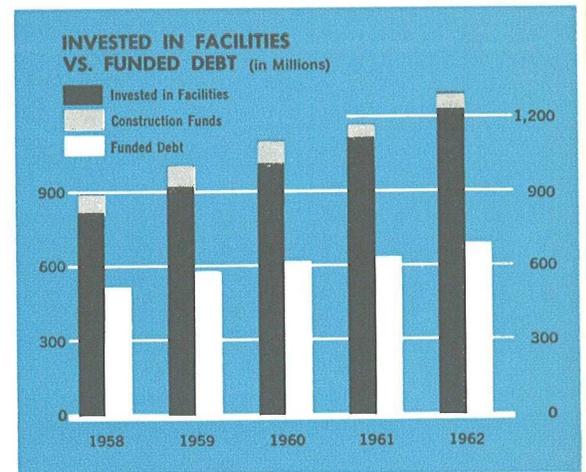
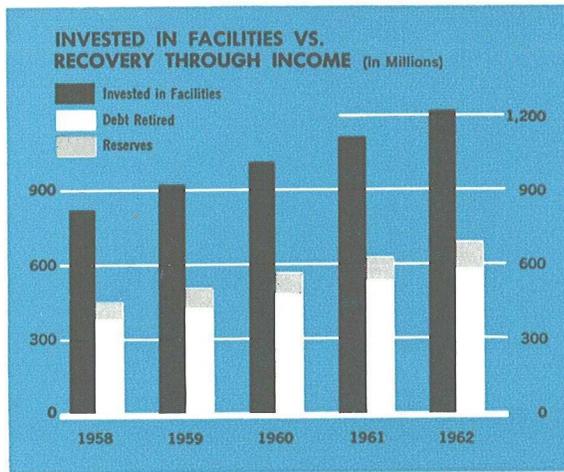
Reserve Funds increased \$6,338,000 during 1962 and totaled \$88,751,000 at the year's end. Thus, they continue to meet the requirements of the applicable statutes of New Jersey and New York and Port Authority bond resolutions.

Financial affairs of the Port Authority are administered by A. Gerdes Kuhbach, Director of Finance; Charles R. Welch, Treasurer; and Carl M. Wahlberg, Comptroller.

## Highlights

	1962	1961
GROSS OPERATING REVENUES	\$135,000,000	\$123,200,000
NET OPERATING REVENUES	69,300,000	67,200,000
DEBT RETIRED	54,400,000	51,700,000
INTEREST ON DEBT	16,200,000	14,800,000
CUMULATIVE INVESTED IN FACILITIES	1,224,200,000	1,116,100,000
FUNDED DEBT OUTSTANDING	687,600,000	626,000,000
GENERAL RESERVE FUND	68,700,000	62,600,000
SPECIAL RESERVE FUNDS	19,900,000	19,800,000





**CUMULATIVE INVESTED IN FACILITIES** December 31, 1962

(in Millions of Dollars)

**TUNNELS & BRIDGES**

GEORGE WASHINGTON BRIDGE	197.1
LINCOLN TUNNEL	187.6
HOLLAND TUNNEL	58.5
BAYONNE BRIDGE	13.4
OUTERBRIDGE CROSSING	11.3
GOETHALS BRIDGE	7.7
	<b>475.9</b>

**AIR TERMINALS**

NEW YORK INTERNATIONAL AIRPORT	\$338.8
LaGUARDIA AIRPORT	60.7
NEWARK AIRPORT	40.8
TETERBORO AIRPORT	10.5
HELIPORTS	.7
	<b>451.7</b>

**MARINE TERMINALS**

BROOKLYN-PORT AUTHORITY PIERS	80.0
PORT NEWARK	72.9
ELIZABETH-PORT AUTHORITY PIERS	25.1
HOBOKEN-PORT AUTHORITY PIERS	17.8
ERIE-BASIN-PORT AUTHORITY PIERS	11.0
PORT AUTHORITY GRAIN TERMINAL	2.4
COLUMBIA STREET PIER	1.2
	<b>210.8</b>

**INLAND TERMINALS**

PORT AUTHORITY BUS TERMINAL	44.2
PORT AUTHORITY BUILDING	22.8
NEW YORK TRUCK TERMINAL	9.9
NEWARK TRUCK TERMINAL	8.1
	<b>85.1</b>

**RAIL TRANSPORTATION**

HUDSON TUBES	.5
	<b>\$1,224.2</b>

## Financial Position at Year End

### Highlights

The total assets of the Authority on December 31, 1962 were \$1,424,288,000, represented by the cumulative amount invested in facilities and construction, operating and reserve funds. This is an increase of \$133,684,000 or 10.4 per cent more than last year. A large part of this increase is represented by \$108,117,000 of construction completed or in progress.

Funded debt at the close of 1962 totaled \$687,613,000, an increase of 9.8 per cent, or \$61,520,000 over last year.

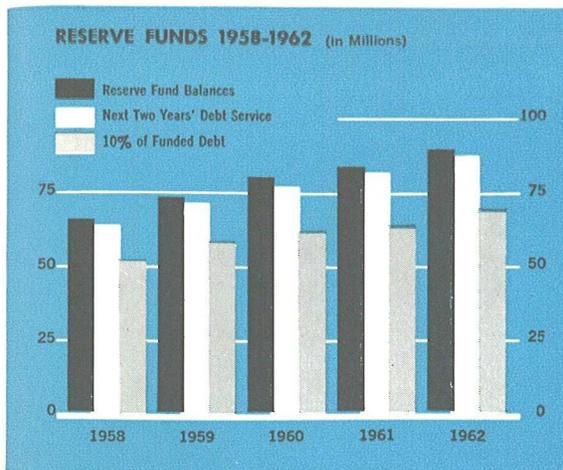
Debt retired through income and additions to reserves during the year amounted to \$64,672,000, for a cumulative total through 1962 of \$685,715,000, which is 56 per cent of the total amount invested in facilities.

### Invested in Facilities

The year-end cumulative investment in the Port Authority's twenty-three facilities rose to \$1,224,227,000, an increase of \$108,117,000 over last year. Of this amount, the major portion was accounted for by construction at the George Washington Bridge Lower Level, New York International Airport, LaGuardia Airport, the Brooklyn-Port Authority Piers, the Elizabeth-Port Authority Piers, Port Newark and the Port Authority Bus Terminal. Details may be found in the chapters dealing with specific facilities.

### Funded Debt

Funded debt at the close of 1962 totaled \$687,613,000, an increase of 9.8 per cent, or \$61,520,000 over last year. Issued during the year were \$35,000,000 Consolidated Notes, Series L, and three Series of long-term Consolidated Bonds totaling \$85,000,000. A fourth Series, sold in December, was issued in January, 1963. Debt retired during the year totaled \$54,480,000, including \$31,000,000 Series L Notes, the balance of which were refunded as shown in Statement I, "Funded Debt".



SUMMARY OF RESERVE FUNDS December 31 (in millions)

	1962	1961	Increase
GENERAL RESERVE	\$68.7	\$62.6	\$6.1
SPECIAL RESERVE	12.9	13.3	(.3)
AIR TERMINAL RESERVE	5.8	5.3	.4
MARINE TERMINAL RESERVE	1.2	1.1	.0
	<b>\$88.7</b>	<b>\$82.4</b>	<b>\$6.3</b>

### Reserve Funds

Reserve funds were increased by \$6,338,000 to an aggregate total of \$88,751,000. This meets, as in the past, the long-established policy of maintaining reserves of at least the next two years' debt service. It continues also to meet all requirements of the various statutes of the States of New Jersey and New York affecting the Port Authority, and of the Authority's bond covenants. The General Reserve Fund amounted to \$68,761,000, which equaled the statutory requirement of 10 per cent of outstanding debt. At the same time, the Special Reserve Fund totaled \$12,955,000, the Air Terminal Reserve Fund \$5,825,000, and the Marine Terminal Reserve Fund \$1,209,000. These year-end reserves exceeded the next two years' debt service by \$1,140,000.

Reserve funds are required by bond covenants to be maintained in cash or invested in certain governmental securities. Investment in these securities was \$87,863,000 as set forth in Statement D, "Analysis of Reserve Funds". Income from these invested funds was \$3,694,000 in 1962 and \$3,349,000 in 1961.

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 an upward adjustment of \$2,047,000.

### Investment Income

Investment of available funds so as to assure maximum earnings and, at the same time, provide optimum security, has always been the prime objective of the security investment program. The Authority's investment portfolio averaged more than \$207,000,000 during 1962. Of this, \$95,651,000, consisting primarily of reserve funds, was invested in long-term governmental securities and returned a net income of \$4,120,000, an average earnings rate of 4.31 per cent. The net income from short-term investment (composed of construction funds awaiting disbursement and current revenues) was \$3,881,000, an average rate of return of 3.48 per cent. Short-term funds were invested in U.S. Government securities and deposited in bank time accounts.

Allocation of the total investment income of \$8,001,000 was \$3,694,000 to reserve funds and \$1,112,000 to operating funds. The balance of \$3,195,000 was allocated to capital funds during the construction period, thus reducing net borrowing costs.

## 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 Terminals 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, represented 85 per cent of the outstanding funded debt of \$687,613,000 at year's 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, 1962, outstanding Consolidated Bonds totaled \$582,041,000. Over the years, a total of \$875,150,000 Consolidated Bonds have been issued, of which \$162,100,000 of the proceeds have been allocated to "Consolidated Bond Facilities", namely, Brooklyn-Port Authority Piers, Hoboken-Port Authority Piers, Erie Basin-Port Authority Piers, Elizabeth-Port Authority Piers, the two Port Authority Heliports, and the Hudson Tubes. The remaining \$713,050,000 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." They are, therefore, met from the pooled revenues of all facilities through the medium of the General Reserve Fund. For the year 1962, after meeting all debt service from income and reserves, the General Reserve Fund totaled \$68,761,000. The General Reserve Fund, of course, secures the other bonds on an equal footing with Consolidated Bonds, but in the case of such other bonds pooled revenues were sufficient to meet debt service.

### *General and Refunding Bonds*

At year end, outstanding General and Refunding Bonds amounted to \$38,761,000—a decrease of \$7,316,000 from the 1961 year-end total.

An additional \$33,792,000 Consolidated Bond proceeds were invested in these facilities during 1962, bringing the Authority's cumulative invest-

ment to \$564,865,000. Consolidated Bond proceeds now have provided \$267,150,000 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 the grain terminal. The 1962 operations of these facilities, after operating expenses and financial income, produced net revenues of \$34,865,000 available for debt service and transfer to reserves. Debt service totaled \$6,126,000 and, at year's end, the remaining revenues of \$28,738,000 were transferred to reserves—\$28,647,000 toward maintaining the General Reserve Fund at its statutory amount of 10 per cent of all outstanding debt and \$91,000 to the Special Reserve Fund which is pledged as additional security for this class of bonds.

#### *Air Terminal Bonds*

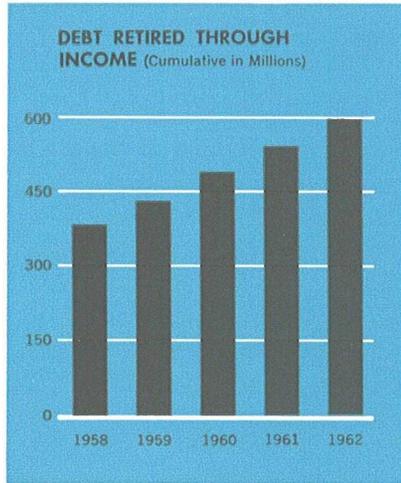
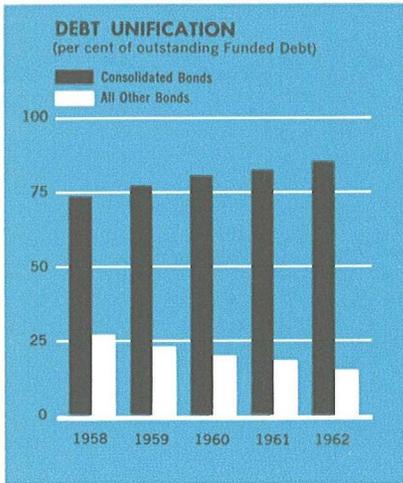
These bonds have a first lien on the net revenues of the four airports. In 1962, net revenues available for debt service and reserves totaled \$27,986,000. After paying \$4,521,000 for debt service, the remaining revenues of \$23,465,000 were transferred to reserves—\$23,391,000 toward maintaining, at year's end, the General Reserve Fund at the statutory amount of 10 per cent of all outstanding funded debt and \$74,000 to the Air Terminal Reserve Fund which is pledged as additional security for this class of bonds.

With the investment of an additional \$44,652,000 of Consolidated Bond proceeds during 1962, the total Port Authority investment in airports rose to \$450,992,000. With the retirement of \$2,931,000 of Air Terminal Bonds during the year, outstanding Air Terminal Bonds at year's end decreased to \$59,898,000. Consolidated Bond proceeds have provided \$382,700,000 for capital construction at these facilities.

#### *Marine Terminal Bonds*

These bonds have a first lien on the net revenues of Port Newark which, in 1962, totaled \$3,682,000. After the payment of \$519,000 for debt service, the remaining \$3,163,000 was transferred to reserves—\$3,153,000 toward maintaining the General Reserve Fund at its statutory amount of 10 per cent of all outstanding funded debt and \$10,000 to the Marine Terminal Reserve Fund—which is pledged as additional security for this class of bonds.

Retirement of bonds totaling \$363,000 during 1962 reduced Marine Terminal bonds outstanding at the end of 1962 to \$6,913,000. The Authority invested \$5,306,000 Consolidated Bond proceeds during the year to raise the cumulative investment in Port Newark to \$72,972,000. Since first established in 1952, Consolidated Bonds have provided \$63,200,000 for capital construction at this facility.



**NET REVENUES  
AVAILABLE FOR  
DEBT SERVICE AND  
RESERVES (in millions)**

	1962	1961	1960	1959	1958
<b>CONSOLIDATED BONDS</b>					
REVENUES	\$10.9	\$ 7.3	\$ 6.7	\$ 6.3	\$ 4.2
OPERATING EXPENSES	6.7	3.2	2.7	2.8	2.4
NET REVENUES	4.1	4.1	4.0	3.4	1.8
<b>GENERAL AND REFUNDING BONDS</b>					
REVENUES	\$62.7	\$59.2	\$59.9	\$58.9	\$54.8
OPERATING EXPENSES	28.7	25.2	25.2	22.5	21.8
NET REVENUES	33.9	34.0	34.6	36.4	32.9
<b>AIR TERMINAL BONDS</b>					
REVENUES	\$55.2	\$50.7	\$43.1	\$34.8	\$28.6
OPERATING EXPENSES	27.6	24.8	22.2	18.0	15.6
NET REVENUES	27.6	25.8	20.9	16.7	12.9
<b>MARINE TERMINAL BONDS</b>					
REVENUES	\$ 6.1	\$ 5.8	\$ 5.6	\$ 5.5	\$ 5.4
OPERATING EXPENSES	2.5	2.6	2.4	2.1	2.5
NET REVENUES	3.6	3.2	3.1	3.4	2.9

## Operation of Funded Debt

### *Debt Issued*

During the year, a total of \$120,000,000 of Consolidated Notes and Bonds was issued. On January 2, 1962, \$35,000,000 of Consolidated Notes, Series L, due December 27, 1962, were sold at competitive bidding. The First National City Bank of New York purchased \$25,000,000 and the Chase Manhattan Bank purchased \$10,000,000 at various interest rates, which resulted in an average net interest cost of 1.776 per cent to the Authority.

On January 4, 1962, \$25,000,000 of Consolidated Bonds, Nineteenth Series, 3½ per cent due 1991, were sold to Harriman Ripley & Co., Incorporated, Blyth & Co., Inc., and Associates on their bid of 97.56 per cent of par, which was equivalent to an average net interest cost to the Authority of 3.62 per cent. The second bid, from a syndicate headed by Halsey, Stuart & Co., Inc., Drexel & Co., Glore, Forgan & Co., Inc., and Ladenburg, Thalmann & Co., would have resulted in a net interest cost of 3.64 per cent.

A \$35,000,000 issue of Consolidated Bonds, Twentieth Series, 3¼ per cent due 1993, was sold on May 1, 1962 to a syndicate headed by Halsey, Stuart & Co., Inc., Drexel & Co., Glore, Forgan & Co., Inc. and Ladenburg, Thalmann & Co. on their bid of 97.509 per cent of par, an equivalent of 3.36 per cent net interest cost to the Port Authority. The second bid, submitted by a syndicate headed by Blyth & Co., Inc., Harriman Ripley & Co., Incorporated and Associates, would have resulted in a net interest cost of 3.40 per cent.

A syndicate headed by Harriman Ripley & Co., Inc., Blyth & Co., Inc. and Associates purchased \$25,000,000 of Consolidated Bonds, Twenty-first Series, 3.40 per cent, due 1993 at the sale on October 9, 1962. Their bid of 98.66 per cent of par resulted in a net interest cost of 3.46 per cent, which topped the second bid with a net interest cost of 3.47 per cent, which was tendered by a syndicate headed by Halsey, Stuart & Co., Inc., Drexel & Co., Glore, Forgan & Co. and Ladenburg, Thalmann & Co.

The fifth and final sale of the year, on December 19th, was \$25,000,000 of Consolidated Bonds, Twenty-second Series, 3⅜ per cent, due 1993. This issue was purchased by the syndicate headed by Blyth & Co., Inc., Harriman Ripley & Co., Inc. and Associates on their bid of 97.81 per cent of par, with a net interest cost of 3.47 per cent. The second bid was submitted by a syndicate headed by Halsey, Stuart & Co., Inc., Drexel & Co., Glore, Forgan & Co., and Ladenburg, Thalmann & Co. Their bid would have resulted in a net interest cost of 3.48 per cent to the Authority. This issuance was completed in January 1963, and, accordingly, is not included in the tabulation of funded debt outstanding on December 31, 1962. The interest on such bonds for 1963 and 1964 has been included in the calculation of the next two years' debt service for application to the Port Authority agreements with the bondholders.

### *Debt Retired*

During the year 1962, the Authority retired a total of \$54,480,000 par value of bonds and notes, not including \$4,000,000 Consolidated Notes, Series L, which were refunded.

The following bonds with a par value of \$20,879,000 were retired through mandatory sinking fund and maturity payments:

<u>Series</u>	<u>Par Value</u>
General & Refunding Bonds	
Eighth Series .....	\$ 729,000
Twelfth Series .....	1,090,000
Fifteenth Series .....	3,600,000
Air Terminal Bonds	
First Series .....	1,205,000
Second Series .....	1,265,000
Third Series .....	461,000
Marine Terminal Bonds	
First Series .....	256,000
Second Series .....	107,000
Consolidated Bonds	
First Series .....	91,000
Third Series .....	1,625,000
Sixth Series .....	600,000
Seventh Series .....	500,000
Eighth Series .....	1,000,000
Ninth Series .....	1,800,000
Eleventh Series .....	2,000,000
Thirteenth Series .....	1,250,000
Fifteenth Series .....	750,000
Seventeenth Series .....	1,500,000
Eighteenth Series .....	1,050,000
	<u>\$20,879,000</u>

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

General & Refunding Eighth Series .....	\$ 326,000
General & Refunding Ninth Series .....	660,000
General & Refunding Tenth Series .....	326,000
General & Refunding Eleventh Series .....	585,000
Consolidated Sixth Series .....	704,000
	<u>\$2,601,000</u>

The difference between the total sinking fund value and the book value of these bonds previously purchased in the open market represents a total savings of \$807,000.

The above retirements together with \$31,000,000 of Consolidated Notes, Series L, totaled \$54,480,000 of debt retired through income and reserves during 1962.

PRICE WATERHOUSE & CO.

60 BROAD STREET

NEW YORK 4

February 25, 1963

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, 1962 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.*

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**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, including the expenditure of federal and state grants, to acquire, construct, place in operation and improve the facilities of the Port Authority and includes net discount and expense incurred in connection with bonds and notes issued for construction purposes as well as net interest expense during the period of construction.

4. The statement of 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.

6. Pursuant to bi-state legislation, the Authority is authorized and em-

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

**NOTE B—COMMITMENTS:**

At December 31, 1962, the Authority was committed under various contracts to the completion over the next two or three years of approximately \$73,000,000 of structures. Cash and securities in the capital funds at that date were primarily for these commitments.

**NOTE C—LEASES:**

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 15, 1963, the Authority issued \$35,000,000 Consolidated Notes, Series N, due December 27, 1963 at an average net interest cost of 1.678 per cent. On January 10, 1963, the Authority issued \$25,000,000 Consolidated Bonds, Twenty-second Series, 3 $\frac{3}{8}$  per cent, due in 1993.

**NOTE E—GENERAL:**

Pursuant to legislative and judicial authorization, the Authority on September 1, 1962 assumed the operation of the former Hudson & Manhattan Railroad through the Port Authority Trans-Hudson Corporation, a subsidiary of The Port of New York Authority established for that purpose. As of December 31, 1962, the court orders transferring title and the right to possession to the subsidiary were in effect although an appeal was pending. Consequently, the operations of the subsidiary corporation to December 31, 1962 were consolidated in the accompanying Port Authority financial statements. The railroad operations from September 1 through December 31, 1962 resulted in a deficit of \$1,080,000. For the same period revenues and expenses of New York terminal properties of the Hudson Tubes scheduled for demolition in connection with the terminal reconstruction program were capitalized. On February 19, 1963 the Appellate Division of the New York State Supreme Court reversed the orders vesting title and the right to possession, holding the underlying legislation unconstitutional but staying the orders of reversal pending appeal by the Authority to a higher court.

Acquisition of the Hudson Tubes properties is dependent upon the outcome of the present appeal, and the cost, if acquired, is dependent upon future condemnation awards. The financial statements do not include any such cost as an asset, and no bonds or notes have been issued with respect thereto.

STATEMENT A Revenues and Reserves

	Year Ended December 31,	
	1962	1961
	(In Thousands)	
GROSS OPERATING REVENUES .....	\$135,059	\$123,267
OPERATING EXPENSES .....	65,742	56,018
Net Operating Revenues .....	69,317	67,249
FINANCIAL INCOME		
Income on investments—net .....	4,806	4,339
Security valuation adjustment .....	2,310	(1,943)
	76,434	69,645
DEBT SERVICE		
Interest on funded debt .....	16,280	14,807
Serial maturities and sinking fund requirements .....	20,777	19,002
Short-term note maturities .....	31,000	32,000
Debt retirement acceleration .....	2,038	489
Total Debt Service .....	70,095	66,298
NET INCREASE IN RESERVES .....	6,338	3,346
Reserve balances—beginning of year .....	82,412	79,065
RESERVE BALANCES—END OF YEAR .....	\$ 88,751	\$ 82,412

STATEMENT B Financial Position

	December 31,				1961
	1962		1961		
	Capital Funds (Statement E)	Reserve Funds (Statement D)	General Operating Funds	Combined Total	Combined Total
	(In Thousands)				
ASSETS					
INVESTED IN FACILITIES .....	\$1,224,227	\$ —	\$ —	\$1,224,227	\$1,116,109
INVESTMENT IN SECURITIES (Statement G) .....	55,894	87,863	7,219	150,977	151,370
CASH .....	24,035	887	3,104	28,027	3,995
OTHER ASSETS .....	2,018	—	19,038	21,057	19,129
TOTAL ASSETS .....	1,306,175	88,751	29,362	1,424,288	1,290,604
LIABILITIES					
FUNDED DEBT (Statement I) .....	687,613	—	—	687,613	626,093
DEBT RETIRED THROUGH INCOME (Statement F) .....	596,964	—	—	596,964	538,630
RESERVES .....	—	88,751	—	88,751	82,412
ACCOUNTS PAYABLE AND OTHER LIABILITIES .....	21,598	—	20,411	42,010	35,625
PROVISION FOR SELF-INSURANCE .....	—	—	5,223	5,223	4,286
DEFERRED CREDITS TO INCOME .....	—	—	3,726	3,726	3,557
TOTAL LIABILITIES .....	\$1,306,175	\$88,751	\$29,362	\$1,424,288	\$1,290,604

STATEMENT C **Operating Funds Revenues** Year Ended December 31, 1962

	Related to				Combined Total
	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	Consolidated Bonds	
	(In Thousands)				
GROSS OPERATING REVENUES .....	\$62,718	\$55,242	\$6,191	\$10,906	\$135,059
OPERATING EXPENSES .....	28,785	27,627	2,547	6,781	65,742
Net Operating Revenues .....	33,933	27,615	3,644	4,125	69,317
FINANCIAL INCOME					
Income on investments—net .....	757	298	31	25	1,112
Security valuation adjustment .....	174	72	7	7	262
Net Revenues .....	34,865	27,986	3,682	4,157	70,692
DEBT SERVICE					
Interest on funded debt .....	734	1,672	174	13,698	16,280
Serial maturities and sinking fund requirements .....	5,392	2,848	344	12,191	20,777
Short-term note maturities .....	—	—	—	31,000	31,000
Total Debt Service .....	6,126	4,521	519	56,890	68,057
TRANSFERS TO AND (FROM) RESERVES .....	28,738	23,465	3,163	(52,732)	2,635
ANALYSIS OF TRANSFERS					
From General Reserve—to cover net deficit .....	—	—	—	(52,732)	(52,732)
To General Reserve—to bring to 10% of funded debt .....	28,647	23,391	3,153	—	55,191
To special reserves .....	91	74	10	—	175
NET TRANSFERS .....	\$28,738	\$23,465	\$3,163	\$(52,732)	\$ 2,635

STATEMENT D **Analysis of Reserve Funds** Year Ended December 31, 1962

	General Reserve Fund	Special Reserve Fund	Air Terminal Reserve Fund	Marine Terminal Reserve Fund	Combined Total
		(In Thousands)			
BALANCE—JANUARY 1, 1962 .....	\$62,609	\$13,305	\$5,376	\$1,121	\$82,412
Income on investments—net .....	2,806	596	240	50	3,694
Security valuation adjustment .....	1,555	330	133	27	2,047
Total .....	66,971	14,232	5,751	1,199	88,154
Appropriations for:					
Debt retirement acceleration—payments to sinking funds .....	669	1,368	—	—	2,038
Total .....	66,301	12,863	5,751	1,199	86,116
Transfers (to) and from Operating Funds:					
Deficit related to Consolidated Bonds .....	(52,732)	—	—	—	(52,732)
Revenues related to:					
General & Refunding Bonds .....	28,647	91	—	—	28,738
Air Terminal Bonds .....	23,391	—	74	—	23,465
Marine Terminal Bonds .....	3,153	—	—	10	3,163
Net transfers .....	2,459	91	74	10	2,635
BALANCE—December 31, 1962 .....	\$68,761	\$12,955	\$5,825	\$1,209	\$88,751
Represented by:					
Investment in securities .....	\$68,073	\$12,825	\$5,767	\$1,197	\$87,863
Cash .....	687	129	58	12	887

SEE NOTES TO FINANCIAL STATEMENTS

STATEMENT E Capital Funds ASSETS AND LIABILITIES December 31, 1962

	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)					
<b>ASSETS</b>					
INVESTED IN FACILITIES					
Completed construction-owned .....	\$535,387	\$ 10,498	\$ —	\$ 84,174	\$ 630,060
Completed construction-leased .....	—	374,658	67,959	23,492	466,110
Construction in progress .....	29,478	65,835	5,012	27,730	128,056
	564,865	450,992	72,972	135,396	1,224,227
INVESTMENT IN SECURITIES .....	13,003	20,710	878	21,301	55,894
CASH .....	5,591	8,905	377	9,160	24,035
OTHER ASSETS .....	808	57	2	1,149	2,018
<b>TOTAL ASSETS</b> .....	<b>584,269</b>	<b>480,665</b>	<b>74,231</b>	<b>167,008</b>	<b>1,306,175</b>
<b>LIABILITIES</b>					
FUNDED DEBT (Statement I) .....	38,761	59,898	6,913	582,041	687,613
INTERFUND ACCOUNTS .....	267,150	382,700	63,200	(713,050)	—
DEBT RETIRED THROUGH INCOME (Statement F) .....	271,749	29,018	3,087	293,109	596,964
ACCOUNTS PAYABLE AND OTHER LIABILITIES .....	6,608	9,049	1,031	4,908	21,598
<b>TOTAL LIABILITIES</b> .....	<b>\$584,269</b>	<b>\$480,665</b>	<b>\$74,231</b>	<b>\$167,008</b>	<b>\$1,306,175</b>

STATEMENT F Debt Retired Through Income Year Ended December 31, 1962

	December 31, 1962
(In Thousands)	
<b>DEBT RETIRED THROUGH INCOME</b>	
Balance at January 1, 1962 .....	\$512,631
Net revenues and reserves applied to retirement of debt as detailed in Statement I .....	54,480
Total .....	567,111
<b>CONTRIBUTED BY FEDERAL AND STATE AGENCIES IN AID OF CONSTRUCTION</b>	
Balance at January 1, 1962 .....	33,167
Amounts received under Federal Airport Act .....	2,316
Amounts received under Federal Highway Act .....	1,537
Total .....	37,021
<b>APPROPRIATED RESERVES INVESTED IN FACILITIES</b>	
Balance at January 1 and December 31, 1962 .....	8,468
<b>LESS:</b>	<b>612,601</b>
<b>COST OF REFUNDING AND CONSOLIDATING DEBT</b>	
Balance at January 1 and December 31, 1962 .....	15,636
Total .....	<b>\$596,964</b>

STATEMENT G Investment in Securities December 31, 1962

			Principal Amount	Quoted Market Value	Amortized Cost
(In Thousands)					
<b>SHORT TERM</b>					
United States Treasury Securities					
Certificates of Indebtedness	3¼% due 5/15/63	.....	\$11,250	\$11,264	\$11,251
	3½% due 8/15/63	.....	16,592	16,643	16,598
Notes	3¼% due 5/15/63	.....	1,795	1,797	1,795
Bills	— due 1/31/63	.....	750	748	748
	— due 2/ 7/63	.....	24,500	24,430	24,429
Adjustment of valuation of securities at Dec. 31, 1962					
Total Short Term			<u>54,887</u>	<u>54,883</u>	<u>54,822</u>
<b>LONG TERM</b>					
United States Treasury Securities:					
Notes	4¾% due 5/15/64	.....	100	102	99
	3¾% due 8/15/64	.....	5,000	5,037	5,005
	4⅞% due 11/15/64	.....	16,000	16,465	16,007
Bonds	3% due 8/15/66	.....	3,000	2,962	3,000
	3⅞% due 11/15/66	.....	1,900	1,895	1,901
	3⅞% due 5/15/68	.....	13,000	13,195	12,926
	2½% due 12/15/69-64	.....	10,000	9,287	9,973
	2½% due 12/15/72-67	.....	1	1	1
	3⅞% due 11/15/74	.....	12,000	12,030	11,976
	4% due 2/15/80	.....	12,000	12,112	11,989
	3½% due 11/15/80	.....	1,000	951	996
	3¼% due 6/15/83-78	.....	1,200	1,095	1,243
	3½% due 2/15/90	.....	8,229	7,637	8,204
	3% due 2/15/95	.....	600	531	600
	3½% due 11/15/98	.....	7,978	7,329	7,955
The Port of New York Authority Bonds:					
Air Terminal	—1st Series 3% due 6/15/78	.....	1,576	1,576	1,528
	—2nd Series 2½% due 10/ 1/79	.....	1,001	905	907
	—3rd Series 2.2% due 12/ 1/80	.....	525	443	459
Marine Terminal	—1st Series 2½% due 11/ 1/78	.....	480	434	433
	—2nd Series 2.2% due 12/ 1/80	.....	245	207	210
Consolidated	—1st Series 3% due 11/ 1/82	.....	512	488	494
	—7th Series 3.4% due 9/ 1/86	.....	445	451	443
	—8th Series 3.4% due 2/ 1/87	.....	40	40	46
Adjustment of valuation of securities at Dec. 31, 1962					
Total Long Term			<u>\$96,832</u>	<u>\$95,182</u>	<u>95,182</u>
<b>ACCRUED INTEREST RECEIVABLE</b>					971
<b>TOTAL INVESTMENT IN SECURITIES</b>					<u>\$150,977</u>

STATEMENT H Analysis of Sinking Funds Year Ended December 31, 1962

	1962
	(In Thousands)
Sinking Fund balances—January 1 .....	\$ —
Additions to Sinking Funds:	
Obligatory payments from operating accounts:	
General and Refunding Bonds .....	702
Air Terminal Bonds .....	2,848
Marine Terminal Bonds .....	344
Consolidated Bonds .....	2,216
Appropriation from Special Reserve Fund for retirement in anticipation of future requirements .....	1,368
Appropriation from General Reserve Fund for retirement in anticipation of future requirements .....	669
Adjustment of cost of Port Authority Bonds to redemption price .....	807
Total additions .....	<u>8,958</u>
Deductions from Sinking Funds:	
Mandatory retirements:	
General and Refunding Bonds, Eighth Series .....	736
Air Terminal Bonds: First Series .....	1,229
Second Series .....	1,290
Third Series .....	470
Marine Terminal Bonds: First Series .....	261
Second Series .....	109
Consolidated Bonds: First Series .....	91
Sixth Series .....	612
Seventh Series .....	510
Eighth Series .....	1,030
Retirements in anticipation of future sinking fund requirements:	
General & Refunding Bonds: Eighth Series .....	329
Ninth Series .....	660
Tenth Series .....	326
Eleventh Series .....	585
Consolidated Bonds: Sixth Series .....	718
Total deductions .....	<u>8,958</u>
Sinking Fund balances—December 31 .....	<u>\$ —</u>



STATEMENT I **Funded Debt** Year Ended December 31, 1962

	January 1, 1962	Issued	Retired	December 31, 1962
	(In Thousands)			
<b>GENERAL AND REFUNDING BONDS</b>				
Eighth Series, 2% due 1974 .....	\$ 13,848	\$ —	\$ 1,055	\$ 12,793
Ninth Series, 1½% due 1985 .....	7,003	—	660	6,343
Tenth Series, 1¾% due 1985 .....	3,621	—	326	3,295
Eleventh Series, 1¼% due 1986 .....	9,715	—	585	9,130
Twelfth Series, 1½% due 1962 .....	1,090	—	1,090	—
Fifteenth Series, 1½% due 1962-1964 .....	10,800	—	3,600	7,200
	<u>46,077</u>	<u>—</u>	<u>7,316</u>	<u>38,761</u>
<b>AIR TERMINAL BONDS</b>				
First Series, 3% due 1978 .....	26,400	—	1,205	25,195
Second Series, 2½% due 1979 .....	26,388	—	1,265	25,123
Third Series, 2.20% due 1980 .....	10,041	—	461	9,580
	<u>62,829</u>	<u>—</u>	<u>2,931</u>	<u>59,898</u>
<b>MARINE TERMINAL BONDS</b>				
First Series, 2½% due 1978 .....	4,959	—	256	4,703
Second Series, 2.20% due 1980 .....	2,317	—	107	2,210
	<u>7,276</u>	<u>—</u>	<u>363</u>	<u>6,913</u>
<b>CONSOLIDATED BONDS</b>				
First Series, 3% due 1982 .....	27,936	—	91	27,845
Second Series, 2¾% due 1984 .....	20,000	—	—	20,000
Third Series, 1.70% due 1962-1964 .....	3,625	—	1,625	2,000
Fourth Series, 2¾% due 1985 .....	30,000	—	—	30,000
Fifth Series, 2.90% due 1983 .....	16,000	—	—	16,000
Sixth Series, 3% due 1986 .....	27,000	—	1,304	25,696
Seventh Series, 3.40% due 1986 .....	23,500	—	500	23,000
Eighth Series, 3.40% due 1987 .....	47,000	—	1,000	46,000
Ninth Series, 3¼% due 1962 .....	1,800	—	1,800	—
Tenth Series, 3½% due 1963-1975 .....	19,800	—	—	19,800
Eleventh Series, 3¾% due 1987 .....	30,000	—	—	30,000
Twelfth Series, 6% due 1962 .....	2,000	—	2,000	—
Thirteenth Series, 2.40% due 1963 .....	2,000	—	—	2,000
Fourteenth Series, 2.50% due 1964-1966 .....	6,000	—	—	6,000
Fifteenth Series, 2.75% due 1967-1969 .....	6,000	—	—	6,000
Sixteenth Series, 3% due 1970-1978 .....	18,000	—	—	18,000
Seventeenth Series, 3½% due 1988 .....	35,000	—	—	35,000
Eighteenth Series, 6% due 1962-1963 .....	2,500	—	1,250	1,250
Nineteenth Series, 3¼% due 1964-1966 .....	3,750	—	—	3,750
Twentieth Series, 3.40% due 1967-1969 .....	3,750	—	—	3,750
Twenty-first Series, 3½% due 1970-1977 .....	10,000	—	—	10,000
Twenty-second Series, 2¾% due 1978 .....	1,250	—	—	1,250
Twenty-third Series, 3% due 1989 .....	55,000	—	—	55,000
Twenty-fourth Series, 6% due 1962-1963 .....	2,000	—	750	1,250
Twenty-fifth Series, 4¼% due 1964-1965 .....	3,000	—	—	3,000
Twenty-sixth Series, 4% due 1966-1975 .....	17,500	—	—	17,500
Twenty-seventh Series, 4.10% due 1976-1979 .....	7,000	—	—	7,000
Twenty-eighth Series, 4¼% due 1989 .....	25,000	—	—	25,000
Twenty-ninth Series, 6% due 1962-1967 .....	9,000	—	1,500	7,500
Thirtieth Series, 3.40% due 1968 .....	1,500	—	—	1,500
Thirty-first Series, 3.50% due 1969-1975 .....	10,500	—	—	10,500
Thirty-second Series, 3.70% due 1976-1979 .....	6,000	—	—	6,000
Thirty-third Series, 1% due 1980 .....	1,500	—	—	1,500
Thirty-fourth Series, 6% due 1962-1964 .....	3,150	—	1,050	2,100
Thirty-fifth Series, 3% due 1965-1966 .....	3,150	—	—	3,150
Thirty-sixth Series, 3.10% due 1967-1969 .....	5,250	—	—	5,250
Thirty-seventh Series, 3.25% due 1970-1975 .....	10,850	—	—	10,850
Thirty-eighth Series, 3.50% due 1976-1981 .....	12,600	—	—	12,600
Thirty-ninth Series, 3.50% due 1991 .....	—	25,000	—	25,000
Fortieth Series, 3.25% due 1993 .....	—	35,000	—	35,000
Forty-first Series, 3.40% due 1993 .....	—	25,000	—	25,000
	<u>509,911</u>	<u>85,000</u>	<u>12,870</u>	<u>582,041</u>
<b>CONSOLIDATED NOTES</b>				
Series L, 1.76% due December 27, 1962 .....	—	8,000	8,000	—
1.77% due December 27, 1962 .....	—	17,000	17,000	—
1.79% due December 27, 1962 .....	—	10,000	6,000	—
(Refunded) .....	—	(4,000)	—	—
	<u>509,911</u>	<u>116,000</u>	<u>43,870</u>	<u>582,041</u>
<b>TOTAL FUNDED DEBT</b> .....	<u>\$626,093</u>	<u>\$116,000</u>	<u>\$54,480</u>	<u>\$687,613</u>

SEE NOTES TO FINANCIAL STATEMENTS

STATEMENT J

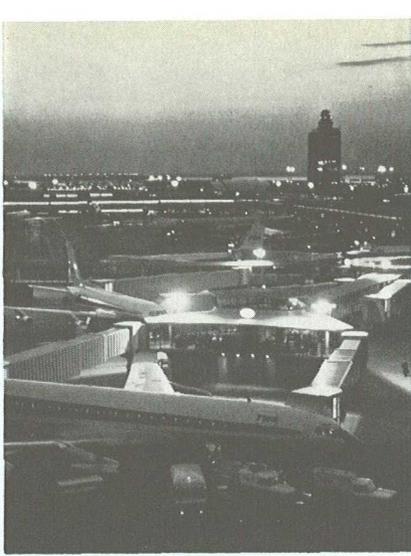
THE PORT OF NEW YORK AUTHORITY

NEW YORK STATE COMMUTER CAR PROGRAM

Assets & Liabilities

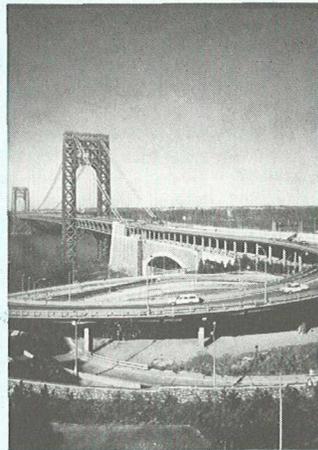
December 31, 1962

	Related to cars		Combined total
	leased to The New York Central Railroad Company	ordered for lease to The Long Island Railroad Company	
(in thousands)			
<b>ASSETS</b>			
Invested in commuter cars .....	\$4,154	\$1,690	\$5,844
Investment in U. S. Government Securities .....	205	5,442	5,648
Cash .....	5	1	7
Other assets .....	—	3	3
Total assets .....	<u>4,365</u>	<u>7,138</u>	<u>11,503</u>
<b>LIABILITIES</b>			
State Guaranteed Commuter Car Bonds .....	—	4,875	4,875
Debt Retired through income .....	—	600	600
Advance from New York State .....	4,154	—	4,154
Accounts payable and other liabilities .....	211	1,663	1,874
Total liabilities .....	<u>\$4,365</u>	<u>\$7,138</u>	<u>\$11,503</u>

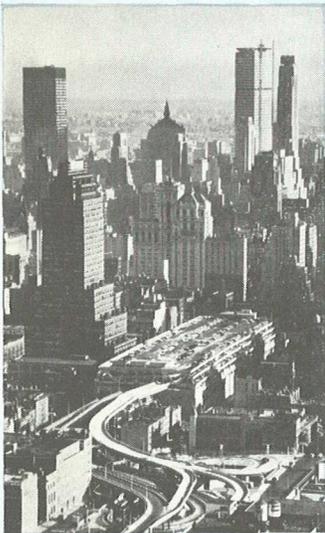


## A Ten Year Comparison

(IN THOUSANDS)



	<u>1962</u>
<b>NET REVENUES (A)</b>	
Gross Operating Revenues .....	\$ 135,059
Operating Expenses .....	65,742
Net Operating Revenues .....	\$ 69,317
Other Income (B) .....	4,806
Net Revenues .....	\$ 74,123
Interest on Funded Debt .....	16,280
Net Revenues after Interest .....	\$ 57,843
<b>Times, Interest Earned</b> .....	4.55
Mandatory Redemption Payments .....	20,777
Net Revenues after Debt Service (C) .....	\$ 37,066
<b>Times, Debt Service Earned</b> .....	2.00
<b>NET CHANGE IN RESERVES:</b>	
Transferred from Revenues (above) .....	\$ 37,066
Short Term Note Maturities .....	(31,000)
Long Term Debt Retirement Acceleration .....	(2,038)
Adjustment of Securities to Market Value (D) .....	2,310
Net Change .....	\$ 6,338
<b>RESERVES—AT YEAR END</b>	
General Reserve .....	\$ 68,761
G & R Special Reserve .....	12,955
Air Terminal Reserve .....	5,825
Marine Terminal Reserve .....	1,209
Total .....	\$ 88,751
<b>FUNDED DEBT—AT YEAR END</b>	
General and Refunding Bonds .....	\$ 38,761
Air Terminal Bonds .....	59,898
Marine Terminal Bonds .....	6,913
Consolidated Bonds .....	582,041
Other .....	—0—
Total .....	\$ 687,613
<b>INVESTED IN FACILITIES—AT YEAR END</b>	
	\$1,224,227
<b>DEBT RETIREMENT THROUGH REVENUES AND RESERVES</b>	
Annually .....	\$ 54,480
Cumulative .....	567,111



1961	1960	1959	1958	1957	1956	1955	1954	1953
\$ 123,267 56,018	\$ 115,370 52,688	\$105,662 45,605	\$ 93,183 42,513	\$ 84,753 39,579	\$ 76,712 37,094	\$ 68,615 30,496	\$ 64,111 29,893	\$ 59,241 26,823
\$ 67,249 4,339	\$ 62,682 4,689	\$ 60,056 3,600	\$ 50,669 2,677	\$ 45,173 2,217	\$ 39,617 1,590	\$ 38,118 1,190	\$ 34,218 1,154	\$32,417 1,084
\$ 71,588 14,807	\$ 67,371 13,291	\$ 63,656 11,228	\$ 53,346 9,159	\$ 47,390 6,146	\$ 41,207 5,076	\$ 39,308 4,646	\$ 35,372 4,408	\$ 33,501 4,270
\$ 56,781	\$ 54,080	52,428	\$ 44,187	\$ 41,244	\$ 36,131	\$ 34,662	\$ 30,964	\$ 29,231
<b>4.83</b>	<b>5.07</b>	<b>5.67</b>	<b>5.82</b>	<b>7.71</b>	<b>8.12</b>	<b>8.46</b>	<b>8.02</b>	<b>7.85</b>
19,002	17,449	16,718	11,633	10,118	8,692	9,634	9,369	8,679
\$ 37,779	\$ 36,631	\$ 35,710	\$ 32,554	\$ 31,126	\$ 27,439	\$ 25,028	\$ 21,595	\$ 20,552
<b>2.12</b>	<b>2.19</b>	<b>2.28</b>	<b>2.57</b>	<b>2.91</b>	<b>2.99</b>	<b>2.75</b>	<b>2.57</b>	<b>2.59</b>
\$ 37,779 (32,000) (489) (1,943)	\$ 36,631 (35,000) (1,021) 6,598	\$ 35,710 (24,000) (925) (3,610)	\$ 32,554 (19,000) (796) (3,913)	\$ 31,126 (13,500) (2,070) 3,095	\$ 27,439 (19,000) (1,355) (2,500)	\$ 25,028 (19,400) (2,798) (1,216)	\$ 21,595 (19,950) (403) 409	\$ 20,552 (17,500) (5,089) 378
\$ 3,347	\$ 7,208	\$ 7,175	\$ 8,845	\$ 18,651	\$ 4,584	\$ 1,614	\$ 1,651	\$ (1,659)
\$ 62,609 13,305 5,376 1,121	\$ 61,082 12,512 4,468 1,001	\$ 57,480 10,535 3,087 753	\$ 50,799 10,573 2,642 666	\$ 42,067 10,795 2,368 606	\$ 32,485 4,265 301 135	\$ 27,995 4,469 49 88	\$ 24,677 6,176 46 88	\$ 24,160 5,145 — 30
\$ 82,412	\$ 79,065	\$ 71,857	\$ 64,682	\$ 55,837	\$ 37,186	\$ 32,602	\$ 30,988	\$ 29,337
\$ 46,077 62,829 7,276 509,911 —	\$ 51,782 64,512 7,630 486,903 —	\$ 58,566 65,895 7,976 442,372 —	\$ 64,893 66,326 8,312 368,468 —	\$ 70,594 66,748 8,642 274,692 —	\$ 78,116 67,162 8,876 170,694 —	\$ 84,825 67,384 8,969 117,776 1,000	\$ 92,377 67,384 9,009 75,000 3,000	\$ 98,215 72,384 9,009 55,000 7,000
\$ 626,093	\$ 610,827	\$574,809	\$507,999	\$420,676	\$324,848	\$279,954	\$246,770	\$241,608
\$1,116,109	\$1,012,540	\$920,249	\$816,700	\$725,394	\$616,298	\$531,733	\$476,212	\$432,868
\$ 51,734 512,631	\$ 53,982 460,897	\$ 42,190 406,915	\$ 31,677 364,725	\$ 26,472 333,048	\$ 29,106 306,576	\$ 32,216 277,470	\$ 29,788 245,254	\$ 31,580 215,466

(A) These combined totals are presented for general information purposes only; the net revenues of the various facilities for the years listed were pledged in support of particular issues of bonds without availability for other bonds or for expenses of facilities financed by other bonds, except, under limited circumstances, through the medium of certain reserve funds.

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

(C) Net deficits of the facilities on the net revenues of which the Air Terminal Bonds, Marine Terminal Bonds and Consolidated Bonds now have a first lien were met by payments from Reserves; they are not shown in this Schedule as "Deductions from Reserves," but rather reduce the annual amounts otherwise available for reserves to produce the annual amounts shown above as "Net Revenues after Debt Service."

(D) Investments are carried at their aggregate amortized cost or market value, whichever is lower; this item represents annual adjustments to reflect that basis.

Funded Debt Amortization 1963-1993 (IN THOUSANDS)

Year	Debt Service Total All Issues			Amortization			
	Par Value \$712,613,000			Consolidated Bonds	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds
	Total	Interest	Amortization				
1963	\$ 43,204	\$ 22,770	\$ 20,434	\$ 12,517	\$ 4,360	\$ 3,183	\$ 374
1964	44,408	22,103	22,305	13,964	4,700	3,256	385
1965	43,850	21,511	22,339	17,485	1,122	3,339	393
1966	43,643	20,777	22,866	17,892	1,144	3,428	402
1967	43,490	20,030	23,460	18,376	1,167	3,504	413
1968	44,464	19,294	25,170	19,751	1,403	3,597	419
1969	44,259	18,513	25,746	20,082	1,556	3,679	429
1970	44,011	17,710	26,301	20,142	1,948	3,772	439
1971	43,904	16,895	27,009	20,327	2,360	3,873	449
1972	44,410	16,053	28,357	21,536	2,401	3,960	460
1973	44,476	15,164	29,312	22,334	2,442	4,065	471
1974	44,005	14,239	29,766	23,966	1,144	4,174	482
1975	43,843	13,273	30,570	24,629	1,161	4,286	494
1976	41,917	12,312	29,605	23,521	1,177	4,401	506
1977	41,196	11,367	29,829	23,598	1,193	4,520	518
1978	41,489	10,354	31,135	27,242	1,211	2,531	151
1979	39,653	9,317	30,336	28,287	1,228	667	154
1980	37,018	8,354	28,664	27,417	1,247	—	—
1981	35,008	7,450	27,558	26,294	1,264	—	—
1982	31,700	6,631	25,069	23,787	1,282	—	—
1983	31,664	5,819	25,845	24,545	1,300	—	—
1984	31,417	4,969	26,448	25,130	1,318	—	—
1985	30,566	4,074	26,492	25,850	642	—	—
1986	29,822	3,147	26,675	26,675	—	—	—
1987	24,229	2,229	22,000	22,000	—	—	—
1988	15,411	1,586	13,825	13,825	—	—	—
1989	12,140	1,115	11,025	11,025	—	—	—
1990	8,353	828	7,525	7,525	—	—	—
1991	8,099	574	7,525	7,525	—	—	—
1992	5,856	331	5,525	5,525	—	—	—
1993	5,635	110	5,525	5,525	—	—	—
	<u>\$1,043,140</u>	<u>\$328,899</u>	<u>\$714,241</u>	<u>\$608,297</u>	<u>\$38,770</u>	<u>\$60,235</u>	<u>\$6,939</u>

Notes: 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.

"Debt Service Total All Issues" includes amortization and interest on Consolidated Bonds Twenty-Second Series, 3 $\frac{3}{8}$ % due December 1, 1993 issued January 10, 1963.

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