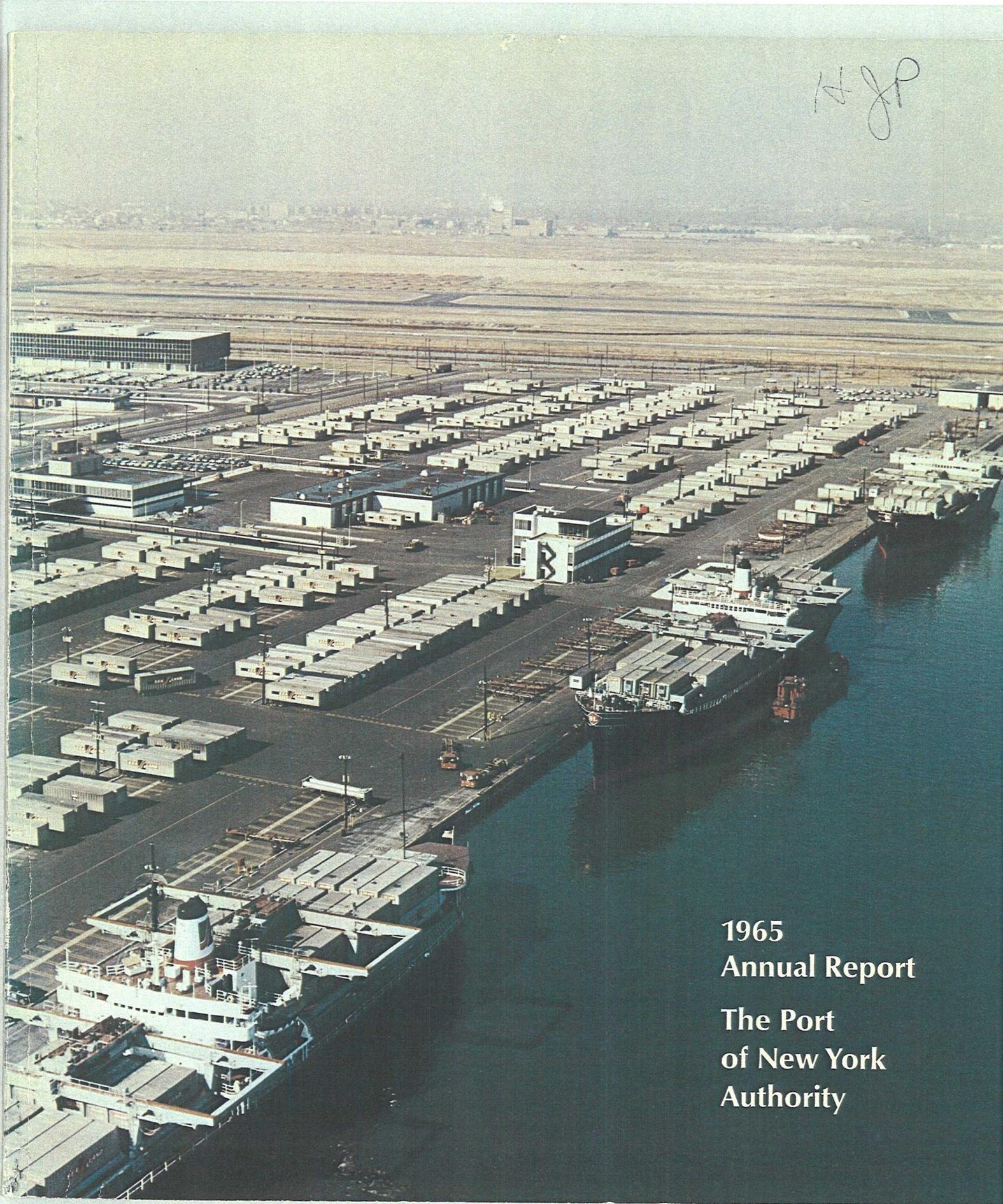


NYSP



1965
Annual Report
The Port
of New York
Authority

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Annual Report
The Port
of New York
Authority**



Respectfully submitted
in accordance with
the Port Compact of 1921 to:
The Honorable Richard J. Hughes,
Governor, and The Legislature of
the State of New Jersey 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*
Gerard F. Brill
John J. Clancy
Charles W. Engelhard
Alexander Halpern
Donald V. Lowe
Joseph A. Martino
Bayard F. Pope
Ben Regan
W. Paul Stillman

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On the cover: The vast 703-acre Elizabeth-Port Authority Marine Terminal is being developed with facilities specifically planned to handle containerized cargo. Early in 1965, work started on the erection of four dockside mobile gantry cranes which will be used by Sea-Land Service, Inc.



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



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





The Commissioners



S. Sloan Colt
CHAIRMAN



Howard S. Cullman
HONORARY CHAIRMAN



James C. Kellogg, III
VICE CHAIRMAN



Gerard F. Brill



John J. Clancy



Charles W. Engelhard

S. Sloan Colt of New York City is a former director and member of the executive committee of Bankers Trust Company, having previously served as its president and chairman of the board. He has served as a director of leading financial, industrial and insurance companies and 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 in 1959.

Howard S. Cullman of New York City is president of Cullman Bros., Inc. and a 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, Averell Harriman and Governor Nelson A. Rockefeller. Vice-Chairman from 1934 to 1945, he was Chairman for the next ten years and since 1955 has been Honorary Chairman.

James C. Kellogg, III of Elizabeth, New Jersey, has been a member of the New York Stock Exchange since 1936. He has served as chairman of the Exchange's Board of Governors and is a senior partner of Spear, Leeds, and Kellogg as well as a director of other business, banking and financial organizations. Vice-Chairman 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. He was first elected Vice-Chairman of the Authority in 1960.

Gerard F. Brill of Jersey City is the senior vice-president and a director of The Trust Company of New Jersey. Mr. Brill has served on the board of trustees of the Police and Firemen's Retirement System of the State of New Jersey since 1957 and is a member of The Investment Council of the State of New Jersey. He is a director of the Jersey City Chamber of Commerce and is a member of the Hoboken and Secaucus Chambers of Commerce. Active in banking, public relations and civic organizations, Mr. Brill was appointed by Governor Richard J. Hughes in 1965 to serve the un-expired term of Commissioner Robert F. McAlevy Jr.

John J. Clancy of East Orange, New Jersey, is the senior member of the law firm of Clancy & Hayden. He is a director of First National State Bank of New Jersey, 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 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., Rand Mines, Ltd. and Minerals and Chemicals Philipp Corporation. He is active in a number of New Jersey civic and philanthropic organizations, serving as director of the New Jersey Chamber of Commerce and the Thomas Alva Edison Foundation, and as president of the Newark Museum. He is a director of Public Service Electric and Gas Co., National Newark and Essex Banking Co., Hudson Bay Mining and Smelting Co., International Silver Co. and the Anglo American Corporation. Commissioner Engelhard was appointed to the Board in 1960 by former Governor Robert B. Meyner.



Alexander Halpern



Donald V. Lowe



Joseph A. Martino



Bayard F. Pope



Ben Regan



W. Paul Stillman

Alexander Halpern of Armonk, New York, is a partner in the law firm of Pross, Smith, Halpern & Lefevre and is a member of the 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 and fiduciary on numerous trusts. Mr. Halpern is trustee and counsel for the Tri-State Air Pollution Foundation. Commissioner Halpern was appointed to the Port Authority Board of Commissioners in 1960 by Governor Nelson A. Rockefeller.

Donald V. Lowe of Tenafly, New Jersey is chairman of the board of the Lowe Paper Company. A former U.S. Delegate to the Transportation and Communications Commission of the United Nations, he is active in New Jersey's Council on Economic Education. Mr. Lowe, a chemical engineer, received the Egleston Award in 1962 from the Columbia University Engineering Alumni Association for outstanding service to the engineering profession. Commissioner Lowe was honored by his fellow Commissioners in 1964 when they presented him with the Howard S. Cullman Distinguished Service Medal. This has been the only occasion on which the Commissioners have so honored one of their other members. Appointed to the Port Authority by former Governor Edge in 1945, he was reappointed by former Governor Driscoll and by Governor Richard J. Hughes in 1963. He was elected Vice-Chairman in 1953 and served as Chairman between 1955 and 1959.

Joseph A. Martino of Manhasset, New York, is chairman of the board 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 a 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 1965.

Bayard F. Pope of New York City is a director of the Marine Midland Corporation, having previously served as its chairman of the board for twenty years. He is director emeritus of the Marine Midland Grace Trust Company of New York, and a director of several leading 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 on the Board from 1944 to 1955. Governor Nelson A. Rockefeller reappointed him in 1959.

Ben Regan of New York City is a general partner of Hornblower & Weeks-Hemphill, Noyes. He is also a director of several leading corporations and financial institutions. Mr. Regan was formerly chairman of Frontier Airlines. In 1961, he was appointed by the then Vice-President Lyndon B. Johnson to the Civilian Commission of NATO. He is a director of several eastern and midwestern universities. Commissioner Regan was appointed to the Board by Governor Nelson A. Rockefeller in 1963.

W. Paul Stillman of Fair Haven, New Jersey, is chairman of the board of First National State Bank of New Jersey and the Mutual Benefit Life Insurance Company. He is also a director of several industrial, utility, insurance and railroad companies, a member of the board of trustees of the United Hospitals of Newark and a member of the board of trustees of New York University. Mr. Stillman was appointed to the Port Authority Board of Commissioners by former Governor Meyner in 1960.

The Story of the Port Authority

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 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.

New Jersey

New York

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. . . ."

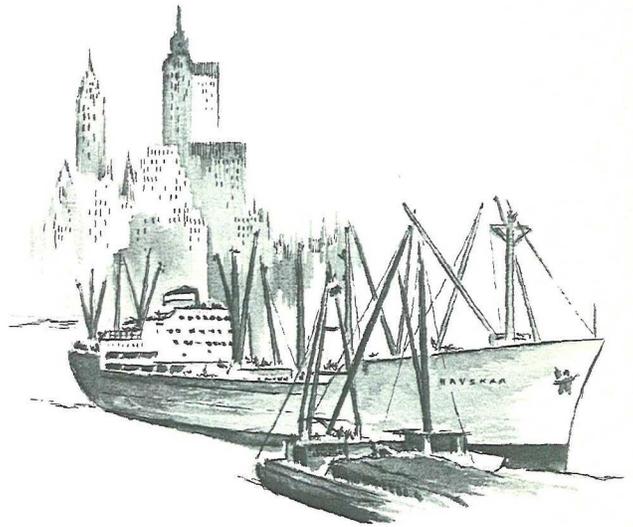
To assure the promotion and protection of port commerce by their joint development agency, the two States, in the Compact, provided that: "The Port Authority shall have such additional powers and duties as may hereafter be delegated to or imposed upon it from time to time by the action of the legislature 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.

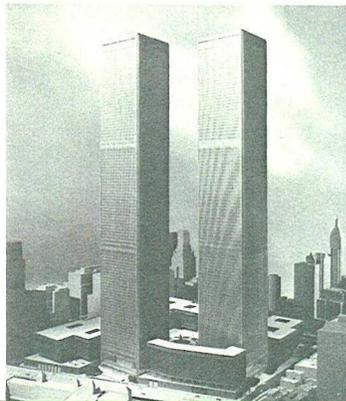
Port Authority Activities

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 interstate bridges and tunnels, four airports and two heliports, six marine terminal areas, two union truck terminals, a 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 1965 is contained in the following pages.

Annual Report 1965

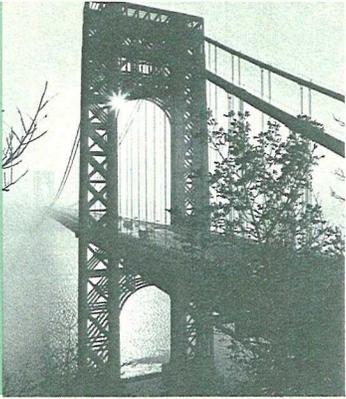
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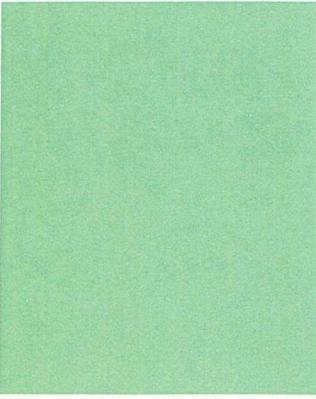
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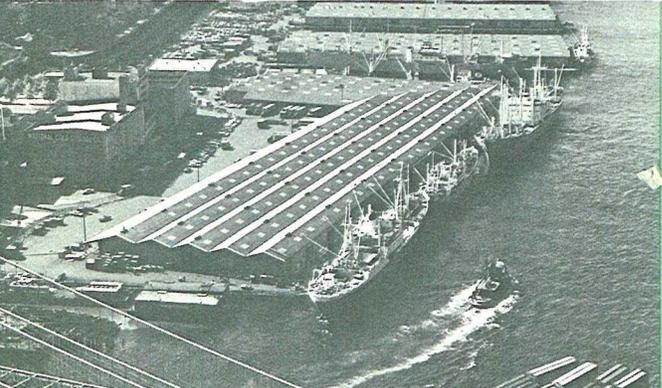
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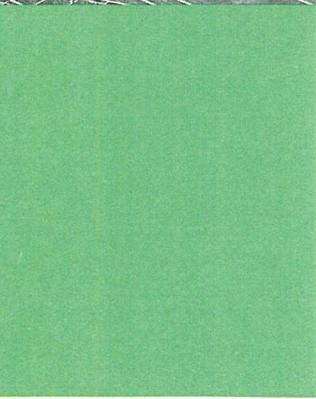
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Planning and Development

The 1921 Port Compact assigned to the Port Authority as the joint agency of the two States, the basic responsibility for "faithful cooperation in the future planning and development of the Port of New York." It directed the Port Authority to carry out studies and analyses for the purpose of improving and protecting the commerce passing through the Port of New York and of increasing and improving the region's transportation and terminal facilities.

These functions—planning, development, promotion and protection—are an integral part of the Port Authority's basic program and are often unrelated to the development and usage of its own facilities. Each is developed in careful coordination with many agencies, both private and public, at all levels—federal, interstate, state, county and municipal. As part of the responsibilities assigned to it by the States, the Port Authority has, over the past 45 years, been assigned a broad range of activities which reflect the changing nature of the region and its transportation and trade needs.

Because of the importance of these responsibilities, the Port Authority has carried out a vigorous program on behalf of the bi-State region and its Port, in cooperation with the States, municipalities and other Port District interests.

Planning and Development

In this program, the Port Authority carries out a continuing evaluation of the transportation resources and needs of the Port District. Where these studies demonstrate the need for a terminal or transportation facility or program within the scope of the Port Authority's responsibility, appropriate proposals are developed. Where such proposals or recommended policies involve other agencies responsible for other elements of the region's transportation network, the Port Authority works in close coordination with the responsible agency. Continuing contact is also maintained with private and public interests directly concerned with the movement

of people and the flow of goods within the New York-New Jersey metropolitan area.

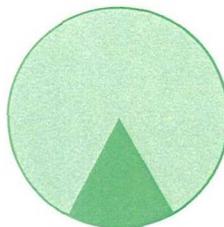
Passenger Transportation Planning

Throughout 1965, the Port Authority staff continued to work closely with agencies of the States of New York and New Jersey, as well as with appropriate federal agencies and municipal departments, on various developments and plans for mass transportation services. These studies concentrated on the inter-relationships among PATH, the commuter railroads, rapid transit, bus and auto in serving bi-State transportation needs. As part of this work, extensive studies are being conducted which will provide a basis for projecting the long-range trans-Hudson transportation requirements and determining the facilities which will most effectively serve these needs.

With the New Jersey Highway Department, New Jersey Turnpike Authority and Hudson County Police Department, the Port Authority jointly tested the concept of an exclusive bus lane on the New Jersey approaches to the Lincoln Tunnel in December 1965. The test had as its goal determining the feasibility of increas-

Total U.S. General Cargo:

Imports and Exports (Long Tons)
40,194,181 (First 6 Months—1965)



**New Jersey-New York Port's Share
of General Cargo:** Imports and Exports (Long Tons)
6,723,097



ing the peak hour mass transportation capacity of the Lincoln Tunnel approaches, looking toward possible implementation of such a system.

Port Authority staff also cooperated with the New Jersey State Highway Department, the New York State Department of Public Works, federal and local officials in developing plans and programs for each of the three bridges linking Staten Island with New Jersey to improve the utilization of these facilities as they affected the region's "southern bypass" route which utilizes the Verrazano-Narrows Bridge.

Coordination of planning was also required in connection with the new interchange for the vast complex of existing and future arterial highways in the vicinity of Newark Airport. In cooperation with the New Jersey State Highway Department, the essential highway access for the redeveloped Airport is being incorporated in the interchange plan.

In New York, final agreement was reached with the State and the City for the construction of the Nassau Expressway and improved highway access in the vicinity of John F. Kennedy International Airport.

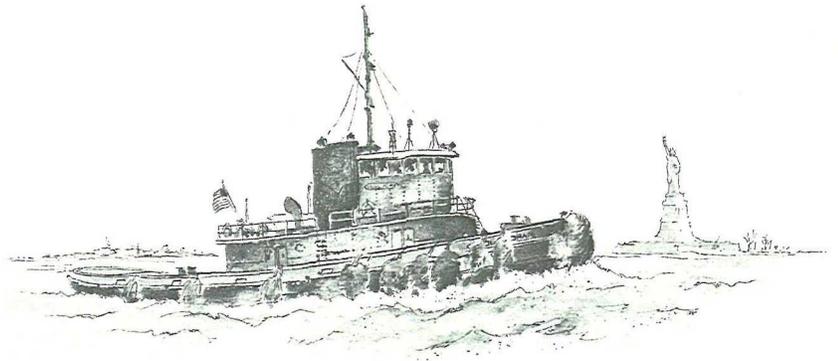
Freight Transportation Planning

During the year, work was continued and expanded on several cooperative programs with the Port District railroads. These joint studies, initiated in 1963, have resulted in a number of improvements in the handling of various types of railroad cargo. Included in this progress was the implementation of projects for the pre-palletization of certain types of cargo, and of encouraging the maximum and most effective use of lighterage in the handling of railroad freight within the harbor.

The scope and operation of the harbor pallet exchange program were expanded during the year. A study was also initiated to determine the feasibility of developing a single type of pallet which could be voluntarily adopted by rail, steamship and pier operators throughout the harbor.

The year saw considerable research by the Port Authority into methods for improving the efficiency of handling cargo in the Port. Foremost among these efforts was a study of containerization. This was primarily devoted to determining the future outlook for container-

ization in world trade, the identification of specific trade routes which would be affected, and the examination of the means through which the Port of New York could most effectively turn its resources to achieving maximum advantages from the increasing use of this method of freight shipment.



A study of pier documentation procedures at a number of piers in the Port was also completed. This was directed toward identifying problem areas in the paper work flow which accompanies the movement of cargo and also at developing recommendations to improve efficiency and economy in this phase of cargo operations.

The Port Authority continued to examine various possibilities for the development of bulk cargo handling facilities at the New Jersey-New York Port.

Developmental Planning

In 1965, the Port Authority again developed and coordinated recommendations on improving channels and waterways throughout the Port. This involved liaison with municipalities, State officials, the Corps of Engineers, commercial and marine firms, chambers of commerce and other organizations having a direct interest in the navigation facilities of the Port.

Projects recommended by the Port Authority, and authorized by Congress in the 1965 River and Harbor Omnibus Bill, included the widening of the Kill van Kull entrance to Newark Bay and the deepening and expansion of New York Harbor Deepwater Anchorage areas. During the year we continued to work with the Army Engineers on their development of a project for

vitaly needed channel improvements in Newark Bay, to serve the increasing number and size of ships, especially containerships, berthed at Port Newark and the Elizabeth Marine Terminal as well as other portions of the waterfront.

The appropriations finally enacted by Congress for authorized Port projects proved disappointing. In the area of construction funds, only \$300,000 was appropriated for the initial work on widening of the Kill van Kull entrance and \$400,000 for continued bridge-raising work on the New York State Barge Canal. Appropriations were also made for review studies involving the Barge Canal and the New Jersey Meadows.

The year saw additional progress on the project to control New York Harbor debris, initially recommended by the Port Authority in 1963. It is anticipated that the Corps of Engineers study and recommendations on this project will be completed in 1966.

The Port Authority continued to press for improved aids to navigation. The experimental installation of a bridge-to-bridge radio system serving ships using Newark Bay demonstrated its usefulness in improving harbor navigation and safety. The Authority also endorsed the Coast Guard proposal for compulsory installation of such equipment on all vessels using United States harbors.

Transportation Research and Statistics

Effective planning for future transportation facilities within the Port District requires the ability to measure and evaluate the ever changing and increasing demands for new transportation capacity. As one phase of this process, the Port Authority initiated in 1965 a program of trans-Hudson travel forecasting which makes use of the speed and capacity of modern electronic computers. On the basis of survey data obtained from patrons of the various transportation networks serving the Region together with regional socioeconomic data, detailed forecasts of future travel demand are being produced. Alternative traffic forecasts will be based on a variety of assumptions regarding regional development and planned transportation facilities.

Additional field surveys were conducted as part of our program to create a comprehensive

source of data on the travel patterns and market characteristics of the trans-Hudson passenger. These included surveys of bus passengers at the midtown Bus Terminal and the George Washington Bridge Bus Station and a survey at the New Jersey railroad facilities which will be affected by the Aldene Plan. Sampling of the automobile market was carried on through the continuous origin and destination survey of patrons at Port Authority Hudson River and Staten Island bridges and tunnels, and, through the cooperation of the New York Thruway Authority, at the Tappan Zee Bridge.

Special emphasis was placed on the analysis of the Verrazano-Narrows Bridge's impact on regional travel patterns. A report was issued covering the origin and destination patterns of Staten Island Bridge traffic during the five years prior to the opening of the new bridge, to show the travel changes since then.

Also carried forward was a program of studies of regional development, including forecasts of future population and economic activity in the area. These place particular emphasis on the position of industry in the region, pointing up the need for region-wide attention to the problem of industrial development. These studies were reviewed with a number of public and private groups concerned with the development of the region's economic base, to provide the basis for a coordinated program of further study.

The foreign trade and freight research program continued to provide data in this key area of Port Authority responsibility. The Port of New York's basic role in handling air and oceanborne cargo in 1964 was evaluated in the annual report "Foreign Trade at the Port of New York." In addition to studies related to New York's trade with various nations and trading blocs, specific commodity analyses were conducted to evaluate proposed cargo facilities.

Particular emphasis was placed on the subject of rail freight; close attention was given to the participation of railroads in the handling of foreign trade and the impact of proposed railroad mergers and technological change on traditional cargo movement patterns at the Port. Many specific investigations were also carried on in support of the Port Authority's trade solicitation, port protection, and World Trade Center development programs.

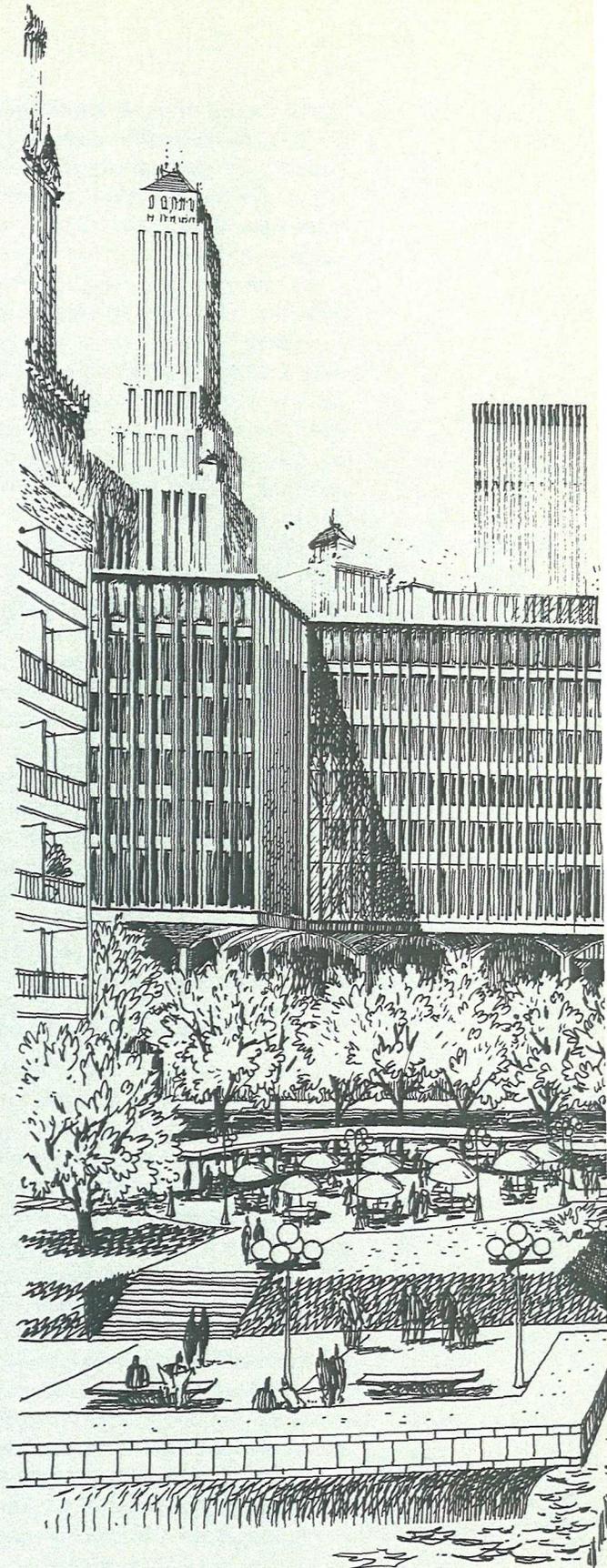
World Trade

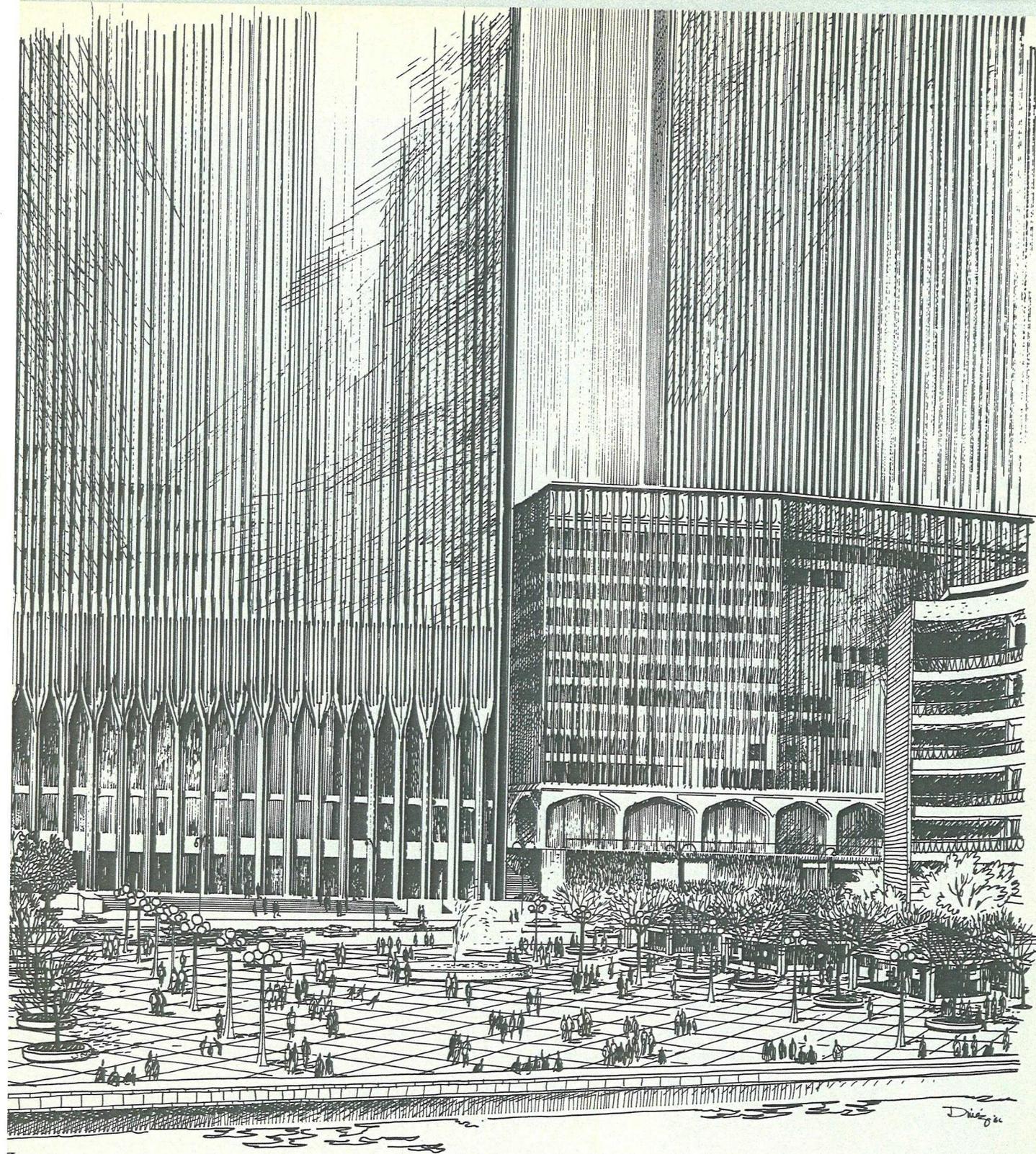
The World Trade Center

Development of The World Trade Center moved forward during 1965. The Commissioners authorized acquisition of the Trade Center site in lower Manhattan, initial financing for the \$525,000,000 project, and a program of tenant relocation and assistance for the present occupants of the site. In December, title to the required properties was vested in the Port Authority by the New York State Supreme Court. The Trade Center, which is being developed in accordance with legislation enacted by the States of New York and New Jersey, is scheduled to be completed in stages over the next six years.

The World Trade Center is designed to expedite and increase the movement of international commerce through the Port of New York by centralizing the governmental and other functions, services and activities vital to the marketing and processing of this trade. Included within the Center will be the New York offices of the United States Bureau of Customs, other Federal trade agencies, foreign consulates and trade centers, exporters and importers, customs house brokers, freight forwarders, steamship, rail, truck and air carriers, international banks, marine insurance firms and others. The consolidation of these public and commercial services and facilities will speed the administrative processing of world trade with resulting dollar and time savings and greatly increased efficiency. Special features of The World Trade Center—its extensive display areas, World Trade Information Service and World Trade Institute—will offer members of the international trade community new opportunities for world wide business.

The World Trade Center will comprise approximately ten million square feet of rentable space of all types, with four million square feet available for private companies engaged in world trade and commerce. The balance of the rentable space is earmarked for Federal and foreign government offices, State agencies—including the principal Manhattan offices of the State of New York—and Port Authority administrative offices, building tenant and other auxil-





Artist's rendering of The World Trade Center shows landscaped West Street entrance to North Tower Building. This new design feature makes it possible to integrate the architectural plan for The World Trade Center with the development of the Hudson River waterfront after the West Side Highway is depressed, as proposed by the New York City Planning Commission. A promenade and park area along the waterfront (foreground) is included in the City's plans.

itary service areas, and areas for parking and storage. By the end of the year, 75 percent of the total space available in the Center was reserved, committed or in active negotiation.

Tenant Relocation

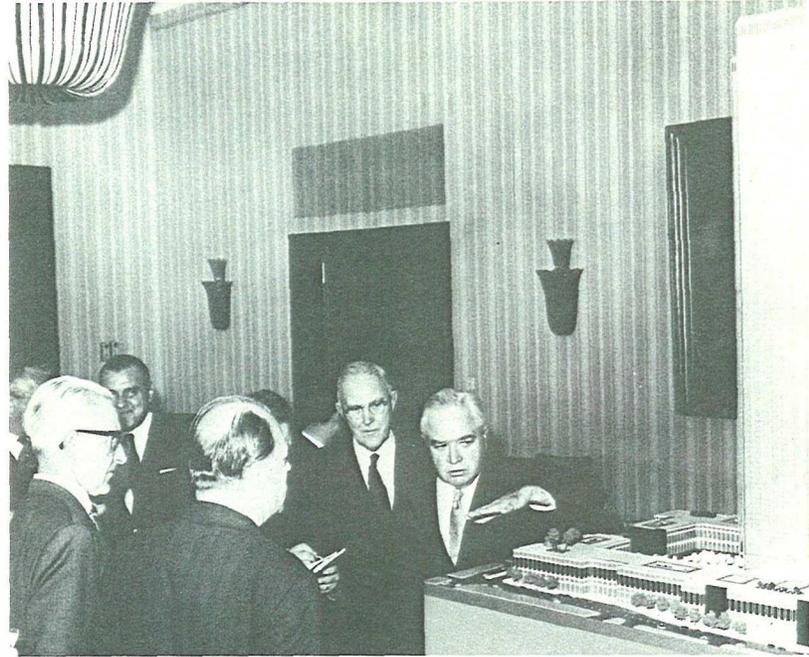
Special attention was devoted during the year to planning for the relocation of the occupants of the premises on the World Trade Center site. The Port Authority will undertake a \$2,800,000 program to assist these occupants to relocate and to defray their moving expenses. This personalized relocation program will be similar to those successfully carried out by the Port Authority in connection with construction projects at the midtown Bus Terminal, the Lincoln Tunnel Third Tube, the George Washington Bridge Lower Level and the Brooklyn-Port Authority Marine Terminal.

As part of this program, the Port Authority will make payments for moving expenses comparable to those available under the City of New York's Non-Title I Relocation Program. In addition, bonus payments will be made to retail store occupants who move within three to six months of the date of title vesting. The cooperation of brokers will be solicited in locating retail store or residential space for specific tenants.

The Port Authority's tenant relocation office at the site was established in 1962 to provide maximum information and assistance to businessmen and residents on the site. Throughout the relocation effort, the office, located at 50 Church Street, will maintain constant contact with each occupant to provide him with listings of available space in other areas of the city and to assist him with specific problems he may have in connection with his relocation. Through such personal meetings, a relocation program tailored to individual needs and circumstances can be developed and carried out in time to meet construction schedules.

Construction Planning

During 1965, refinements in the architectural and engineering plans for the Center continued to be made. At year's end, detailed designs for the tower superstructures were being prepared. The use of a new interior wall system incorporated in the design will increase usable areas. Foundation designs have been completed and



Commissioner Donald V. Lowe and Executive Director Austin J. Tobin explain World Trade Center functions to Bremen officials during observance of Port of New York Day in Bremen, Germany.

work is proceeding on the final layout and architectural treatment of interior space below ground level.

Several important test programs also were completed during the year. Among these were the development of a prototype automatic window washing machine and an analysis of the proposed use of river water as a coolant for the Trade Center's air conditioning system.

As part of the final phase of the project's design and engineering studies, the Port Authority purchased in March the first parcel of property within the Center's 16-acre site—approximately a half square block on the south side of Cortlandt Street between West and Washington Streets. Foundation tests conducted on this property included pull-out tests of the rock anchors to be used in the below grade wall construction, seismic tests on the energy absorption characteristics of rock, and pumping tests to determine soil percolation and ground water gradients. Measurements also were made of stray electrical currents to determine the requirements for cathodic protection of foundation structures, piping and utility systems.

Throughout the year, Port Authority staff members continued to work closely with representatives of the City of New York on matters of joint interest concerning the construction and development of the Center. Continuing liaison was maintained with appropriate City officials and agencies on overall planning and particularly directed towards ensuring the smooth flow of traffic during construction of the Trade Center and after its completion. Other matters reviewed with the City included plans for the relocation of occupants of the site, the relocation of fire stations, connections to the New York City subway system and availability of water and sewer facilities.

Operations Planning

Late in the year, work began on the development of a comprehensive operating and maintenance program for the Trade Center. Architectural and engineering design drawings are being reviewed to assure maximum efficiency of building management and operation.

Rentals

During the summer, Congressional approval was given to the consolidation within The World Trade Center of the collection and appraisal functions of the United States Bureau of Customs in the Port of New York. Following intensive discussions with the Port Authority during the previous three years, the General Services Administration in May had recommended to the Public Works Committees of the Senate and the House of Representatives that the Bureau of Customs be included in the World Trade Center project. In the prospectus submitted to the Congress, the Secretary of the Treasury was quoted: "The World Trade Center offers a unique opportunity for Customs to improve its service to the public and to work effectively and creatively with the international trade community in developing innovations for further improvements."

The Bureau of Customs will occupy some 763,500 square feet of floor space, thus enabling it to centralize the collection and appraisal functions now located in five widely separated buildings in Manhattan.

As announced by Governor Rockefeller in January, 1964, New York State will consolidate

most of its principal offices in Manhattan in the Trade Center.

The advantages of The World Trade Center as a means of expanding international trade have been recognized by foreign governments in Europe, Africa, Asia and Latin America. The areas reserved by these nations are expected to be used for the establishment of national trade centers, with exhibits of national products to potential American and foreign buyers, for purchasing activities, and for consular and commercial counselors' offices. Official government participation in the Trade Center also includes space reservations received from State Governments.

Reservations for specific areas in The World Trade Center at designated rentals had been signed or were in process for more than one and one-half million square feet of the four million square feet available in the Center for private commercial occupancy. These reservations are the result of extensive rental efforts undertaken by the Port Authority in the United States and in leading overseas countries, coupled with the rentals activities of participating real estate brokers.

Following the signing of lease agreement for space in The World Trade Center, New Hampshire's Governor John W. King (seated) and Commissioner of Resources and Economics Development John F. King watch attentively as Rentals Regional Manager Edward J. O'Malley points out some of the novel architectural features in the large trade complex.



New York World's Fair

On Sunday, October 17, 1965 the gates of the 1964-65 New York World's Fair closed forever, thus ending the most elaborate and best attended international exposition in history.

The Transportation Section, planned, rented and operated by the Port Authority as agent of the Fair Corporation, was one of the most popular segments of the Fair and attracted a major portion of the 51,000,000 paying Fair visitors. It was highlighted by such major exhibitors as General Motors, Ford, Chrysler and the multi-exhibit Hall of Science.

During the two-year Fair operation, the Port Authority exhibit, which included the 360° color film, "From Every Horizon", and models of The World Trade Center and PATH projects, was viewed by visitors from across the nation and around the world.

After the Fair closed, ownership of the Port Authority Heliport and Exhibit Building and its restaurant was transferred to the City of New York. The Building will remain a permanent structure on the former fair grounds which are to be restored to their original use as a City Park.

Port Commerce

Rail Mergers Pose Critical Questions

The eastern railroad consolidation picture was in the immediate spotlight throughout 1965. The year opened with three major rail systems planned east of the Mississippi River. Two of these—the Chesapeake & Ohio control of the Baltimore & Ohio, and the merger of the Norfolk & Western and Wabash & Nickel Plate Railroads—had already been approved by the Interstate Commerce Commission and were operating. The third merger, the Pennsylvania-New York Central System, was still pending before the Commission. In April, the Examiners Recommended Report and Order was issued recommending the Penn-Central merger with provisions relating to the possible inclusion of the Erie-Lackawanna Railroad and several smaller independent railroads in the Penn-Central System in the event that the Erie-Lackawanna and the other lines were not included in the Norfolk & Western System. Oral argument on the Penn-Central merger was held before the Interstate Commerce Commission in October, 1965.

The Port Authority recognizes the long-standing desire of the rail industry for consolidation. But the Port Authority is likewise concerned that the public interest is protected by assuring that these consolidations, if permitted, result in a strong competitive rail complex with two or more systems serving the vast metropolitan area of the Port of New York-New Jersey. For this reason, the Port Authority urged the Commission to defer approval of the Penn-Central merger until such time as the Erie-Lackawanna and other lines are included in the Norfolk & Western System. If the Penn-Central merger is permitted without a requirement that it be held in abeyance pending inclusion of these independent railroads in the Norfolk & Western System, the independents will be unable to survive. Confronted with this financially-strong and far-flung system, the much weaker Erie-Lackawanna and the other smaller eastern lines would suffer drastic freight diversions and most certainly be forced into bankruptcy. The Port of New York and the entire New York-New Jersey Metropolitan Area would then be forced to rely on one rail system serving not only New York but also competitive ports and subject to no competition whatsoever in the New York area. The absence of competitive forces would pose a most serious threat to the Port's activities. The Port Authority will continue to insist that competitive service be available from at least two of the new merged rail networks.

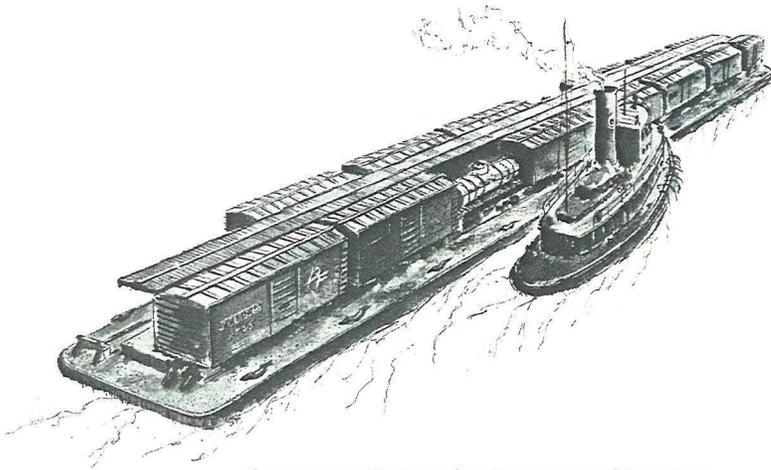
In October, a further complication in the eastern merger situation developed when the Chesapeake & Ohio-Baltimore & Ohio and Norfolk & Western System announced their plan to merge. The Port Authority is concerned about the effect of two such huge systems on the Port's problem of assuring adequate competitive rail service.

Port Rate Unity Upheld

A victory for the Port of New York, second in stature only to the Port Equalization Case, was won in June when the U. S. District Court in Philadelphia upheld the rate unity of the Port of New York in a unanimous decision against an attempt by the Pennsylvania Railroad to split the long-standing Port rate group.

The case was the so-called Fruits and Vegetables Case in which the Pennsylvania published

rail car rates on fruits and vegetables that were higher to stations in New York City than to stations in New Jersey. The Interstate Commerce Commission condemned this action by the Pennsylvania and reaffirmed the principles of the 1917 New York Harbor Case which recognized the need for a unified rate group based on the geographic and economic unity of the New York-New Jersey Metropolitan Area. The I.C.C. decision was appealed to the United States District Court in Philadelphia in March, 1962. The District Court, in its June decision, reaffirming the I.C.C. decision, supported the landmark New York Harbor Case and specifically found that the higher rates to New York resulting from the Pennsylvania's proposal were prejudicial and in violation of the Interstate Commerce Act. The Pennsylvania has filed an appeal from the District Court decision in the United States Supreme Court.



Important Victory for Intercoastal Service

The rate battle between the intercoastal steamship trade and the transcontinental railroads continued through 1965 with several important victories for the marine interests.

The intercoastal service between Oregon and California ports and ports on the East Coast, including New York, was first put in jeopardy in 1962 when the transcontinental railroads challenged, before the Interstate Commerce Commission, Sea-Land Service, Inc.'s then newly-published rates on various commodities claiming that they were not compensatory. If Sea-Land had not been permitted to continue its rates, it would have lost considerable traffic to the railroads and more than likely would have

had to discontinue its intercoastal service. Recognizing the great need for domestic steamship service to and from the bi-state Port, the Port Authority supported Sea-Land.

In an October decision, after considering testimony of the Port Authority, shippers, the competitive circumstances and other evidence, the Commission found that the proposed rates were compensatory and in the public interest.

While awaiting this decision, the transcontinental railroads took direct aim at the intercoastal service and proposed reduced multiple car and proportional rates on canned goods, the single most important commodity carried by Sea-Land. On protest by Sea-Land these rates were subsequently suspended by the Interstate Commerce Commission and an investigation ordered. The railroads then withdrew the protested rates and the investigation was dropped.

In September the railroads resubmitted these rates, but at a slightly higher level than originally proposed. The Commission declined to suspend, but did agree to investigate the lawfulness of these rates in the new proposal.

Air Commerce

The Port Authority participated in a number of proceedings before the Civil Aeronautics Board in accordance with its obligation under the Port Compact to promote and protect the Port District's air commerce.

A major proceeding, involving international routes, is the United States-Caribbean-South American Investigation (CAB Docket No. 12895 et al), which concerns itself, in part, with a review of the United States Flag airline route authorizations between New York and points in the Caribbean Area and South America. An important issue in this proceeding is whether or not a one-carrier U. S. Flag air route should be authorized between New York and points on the west coast of South America to replace the interchange services involving several airlines which now operate in these markets.

Our analyses indicate that there is sufficient traffic to require a one-carrier service between the Port District and west coast South America points and that one-carrier service would provide greater convenience for the current and future volumes of air passengers in these markets than the existing interchange arrangements.

It is also the Port Authority's position that continued authorization of three air carriers between New York/Newark and San Juan, Puerto Rico is required. This market is by far the largest at issue in this proceeding. In addition, the Port Authority supports continued route authority for a U. S. Flag airline between the Port District and all points in the Caribbean Area and South America where it is currently authorized.

Hearings have been completed in this complex proceeding and a final CAB decision may be forthcoming in 1966.

Port Promotion

"Containers and Cargoes" Viewed 'Round the World

"This is the era of motion, of the diesel and jet, the period of innovation where tubes, transistors and tapes help speed cargo to destination. Everyday, new concepts and techniques for handling and moving cargo are being pioneered."

These are the opening words of the newest Port Promotion film, "*Containers and Cargoes*." Released early in the year, it sounded a keynote to the Port Authority's program of promoting commerce in the New York-New Jersey Port. A twenty-five minute sound and color presentation, it portrays the newest techniques, developments, equipment and facilities used to move cargo in the Port of New York—"The Port of the future . . . where innovation is an everyday event." "*Containers and Cargoes*" was continually booked with shipping and transportation audiences and demand for prints constantly exceeded supply. The other three promotional films, "*Via Port of New York*," "*The Fabulous Decade*," and "*Sixty-Seven South*," continued to be used extensively around the world by export and import organizations, transportation and trade groups, federal agencies as well as television stations, educational institutions and community groups.

While "*Containers and Cargoes*" spanned oceans to provide a deeper understanding of containerization, the Port Commerce magazine, *Via Port of New York*, devoted a landmark issue to the future of transatlantic shipping, highlighting the potential of container service between the Port of New York and European ports. The magazine described the Elizabeth-Port

Authority Marine Terminal containership facilities as a possible prototype for future container operations, outlined Europe's preparations for the "container era," and summarized the latest plans for transatlantic van-container service. A joint October-November issue, this special edition was the result of six months of staff research, including a survey trip of European ports and transportation agencies. This marks the third time *Via Port of New York* has studied containerization in depth, the previous two issues having been published in July, 1961 and August, 1963.

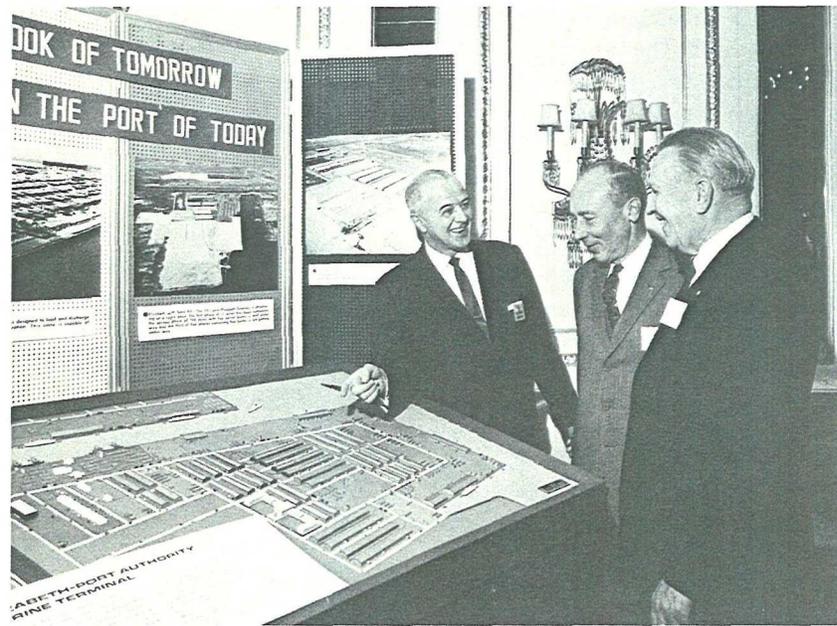
During 1965 *Via Port of New York* circulation increased to over 26,000 as a result of intensified efforts to reach important export-import shippers in all the territories served by the Trade Development Offices and by the newly appointed Special Representative for the Far East-Pacific Area.

Promoting the Port on Paper

One of the most valuable publications issued during the year was the revised Harbor Terminals Map. A unique, reliable reference source on marine and rail terminal facilities in the New Jersey-New York Port, the Harbor Terminals Map has been in constant demand for some 28 years by railroaders, truckers, freight forwarders and others engaged in the export-import business.

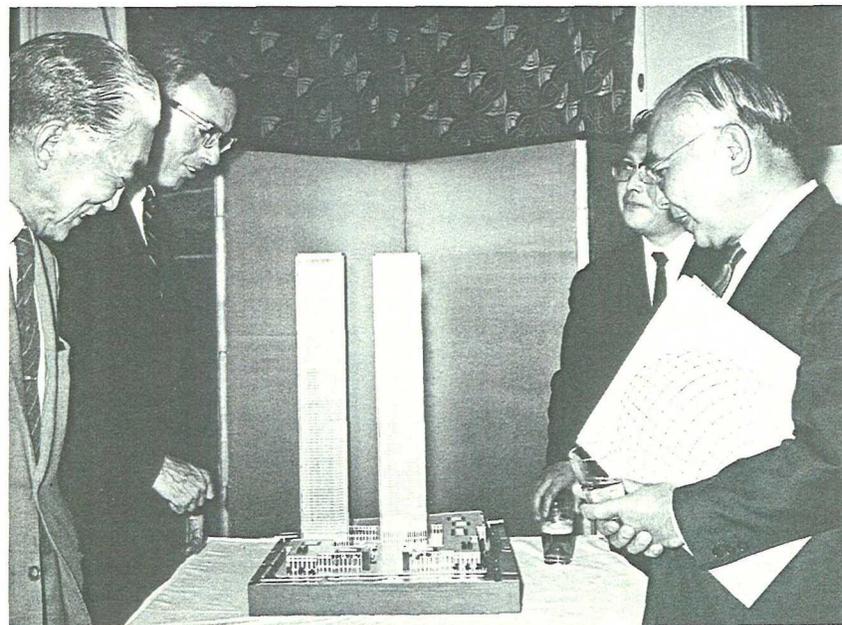
Based on the success of the previously published *Latin American Trade Guide*, new Trade Services Directories were prepared in English, French and German language editions directed at the needs of European exporters and importers. Numerous other brochures, pamphlets, fact sheets and statistical reports completed the spectrum of literature needed to handle the thousands of requests for information on the Port from all over the world and to continue attracting trade to the region. In addition international press releases continued to disseminate important Port of New York information to world traders.

The Port Authority received the annual "Silver Spike Award" of the Association of Railroad Advertising Managers for outstanding contribution through advertising toward a better public appreciation of the American railroads. This award, an exceptional compliment to the Port



Howard F. Lemmon, Manager of the Cleveland Trade Development Office points out modern facilities available to midwestern shippers at Elizabeth-Port Authority Marine Terminal.

Special Trade Representative William C. Gibson (second from left) explains the attributes of The World Trade Center to Japanese trade officials during one of his three extended trips to the Far East to discuss trade developments and promote more world trade "Via Port of New York."



Commerce advertising campaign, specifically cited the Port Authority's efforts to publicize the favorable U. S. Supreme Court rail rate equalization decision.

New exhibits were used to illustrate the number and variety of services available at the Port of New York for handling international trade, primarily in the showcase window of the Eastern Trade Development Office where over 10,000 pedestrians pass daily. Port displays also were arranged in such distant cities as Basel and Bangkok to acquaint the public with the vast New York port complex.

The Port Authority actively continued to foster community interest in the port by participating in such ventures as the Second Port of New York Art Contest sponsored by the Joint Committee for Promotion of The Port of New York, and by again leading the local planning and participation in the celebration of the Presidentially proclaimed World Trade Week

Trade Development Program Completes Second Decade of Progress

This year, the Port Authority's trade development program marked twenty years of service to importers and exporters. In October, 1945, the bi-state agency opened the first Port of New York Trade Development Office in Chicago and inaugurated a program of assistance to shippers that now comprises nine offices for the promotion of commerce. Five of the offices are in the United States—in addition to Chicago, they are located in Cleveland, Pittsburgh, Washington and New York—and four are overseas, in London, Zurich, Rio de Janeiro and San Juan.

As the Chicago office began operations two decades ago, then Chairman Howard S. Cullman said: "Our Chicago office is being opened with the confident belief that the great central western manufacturing, agricultural and consuming territories will be an immense factor in the postwar trade picture."

Since that time, the midwestern states have become the Port of New York's most important cargo generating area. The territory of the Chicago office, which until the spring of 1965 included Illinois, Indiana, Michigan, Kentucky, Mississippi, Iowa, Wisconsin and Minnesota, has been expanded to encompass the western two-thirds of the continental United States—

from western Michigan to the West Coast, and from the Canadian border to Alabama. The Chicago office also covers Canadian Provinces west of Ontario.

This year also marked the tenth anniversary of the opening of the Eastern United States Trade Development Office, on lower Broadway in Manhattan, in the center of the Port's shipping district. The Eastern Office not only assists the many importers, exporters and manufacturers in the nation's commercial center, but also acts as a service office for the network of Trade Development Offices in this country and abroad, maintaining close working liaison with all carriers, freight forwarders and other organizations serving shippers using the Port of New York's facilities.

Continued Expansion of Trade Development Activities

Since 1945 the program has grown until it now includes a staff of twenty-two trained representatives serving the Port's interest in the United States and abroad.

And 1965 found the Port of New York beginning permanent trade development coverage in the Far East, with the appointment of William C. Gibson as Special Representative for the Far East and Pacific Area.

During this initial year, the Special Representative took three extended trips to Japan, The Philippines, Formosa, Singapore, Hong Kong, Malaysia, India, Pakistan, Thailand, Australia and New Zealand. The Far East activities, as well as those of the other overseas offices, concentrated on assisting foreign traders in using the Port's facilities and services and in

acquainting foreign governments and commercial firms with The World Trade Center.

The Continental Office in Zurich, extended its geographical coverage to Poland, the first Communist-bloc nation to be visited in furtherance of our government's policy to improve relationships and relax tensions.

The institution of a "New Business Campaign" marked a concentrated effort by the Trade Development representatives to attract additional cargo to America's greatest port and to recapture shipments which have gravitated to other ports during the past years.

During 1965, the Trade Development representatives made 11,500 calls on shippers located in over 700 cities in 31 states and 50 foreign countries.

Port of New York Seminar Held for First Time in Canada

The seventh annual Port of New York Seminar was conducted in Toronto, the first such venture outside the United States. Seventy-five shipping executives from the Toronto and Montreal areas attended the meeting, and were briefed on the latest developments and services available at the Port of New York.

Cargo is literally the lifeblood of the New York-New Jersey Port, for jobs and income directly connected with the port provide economic support for one out of every four of the population of the Port District. Thus, by providing for the requirements of today's shippers as well as planning for future needs, the Port of New York is able to maintain its pre-eminence, the foremost handler of general cargo ocean-borne freight in the United States.

Marine, Rail and Motor Carrier Proceedings

Proceedings Before the Interstate Commerce Commission

Docket	Subject	Status
FF 209	Extension of operating rights of Lyons Transport, Inc., a domestic freight forwarder, on the basis of publishing equalized export rates to North Atlantic ports.	Examiner recommended that application be denied. Exceptions filed. Pending.
I&S 8125	Railroads reduced rates on paper, etc., to Baltimore, Philadelphia and Hampton Roads excluding all ports north of Philadelphia.	Examiner's Report was adverse to the Port Authority's position. Exceptions to be filed. Pending.

**Action is generally in accordance with the position suggested by the Port Authority.*

Proceedings Before the Interstate Commerce Commission (continued)

Docket	Subject	Status
Fin. 21510 & 21514	Unification of Norfolk and Western-Wabash-Nickel Plate Railroads.	Reopened to consider inclusion of Erie-Lackawanna and other railroads. State of N.Y., Port Authority, and the City of N.Y. as well as E/L and others filed petitions for reopening. Pending.
Fin. 21989	Proposed merger of Pennsylvania-New York Central Railroads.	Examiner recommended that the merger include the NYS&W and the freight service of the NY-NH&H. Examiner ruled against initial inclusion of the EL, D&H and B&M and recommended that; arrangements be made to include LV in the N&W System or the B&O-C&O; and that D&H apply for admission to PRR-NYC within 10 years if they fail to reach terms with N&W. Exceptions were filed. Pending.
Fin. 23178	Proposed merger of the Chesapeake & Ohio and Baltimore & Ohio to actively control the Western Maryland.	*Examiner recommended approval of merger with condition that CNJ be included if it so requested within a 5-yr. period and terms were satisfactory. Exceptions filed. Pending.
Fin. 23379 23422 34531	Application of Lehigh Valley Railroad for authority to operate over the tracks of Pennsylvania Railroad to permit connection with Norfolk & Western System at Buffalo. Erie-Lackawanna filed complaint against the Norfolk & Western System that Lehigh Valley Railroad was already illegally operating over tracks of Pennsylvania Railroad.	*Examiner recommended that application be denied. At request of LV, ICC permitted withdrawal of application but denied motion to dismiss complaint. Pending.
Fin. 23822 23833	Application of Norfolk & Western and Chesapeake & Ohio to merge and include in their system 5 major Eastern railroads—Erie-Lackawanna, Delaware & Hudson, Boston & Maine, Reading and Central Railroad of New Jersey.	Awaiting action of ICC.
ICC 34520	Complaint against minimum charges of Eastern Central Motor Carriers published in Tariff 35N which result in preferential treatment for large shippers.	Hearings held. Briefs filed. Pending.
ICC 33105	Port "splitting" railroad rates on fruits and vegetables to points in Port of New York.	*U. S. District Court of Philadelphia upheld ICC. PRR appealed case to Supreme Court. Pending.
ICC 33362	Connecting railroad rates in Texas on coastwise steamship movements of aluminum articles to points in Pennsylvania and New Jersey via the Port of New York.	*Case reopened for further consideration. Subsequently, railroads cancelled rates in litigation and Commission discontinued proceeding. Case concluded.
ICC 33479	Combination rail-water-rail coastwise commodity rates.	Seatrains withdrew complaint as grievances with railroads were negotiated to satisfaction of all parties. Commission dismissed complaint. Concluded.
ICC 33899	Port "splitting" railroad rates on melons to points in Port of New York.	*Court decision in ICC 33105 to be binding. Pending.
ICC 34121	Sea-Land Services, Inc. intercoastal containership commodity rates.	*Commission found reduced door-to-door rates just and reasonable. Proceedings discontinued.
ICC 34254	Relief from long haul/short haul statutory requirements on joint motor-rail rates.	Exception filed. Pending.
ICC 34471	Reduced railroad rates on canned goods from Florida to the East.	Hearings held. Pending.
ICC 34497	Reduced rail rates on polyethylene plastics from Texas City, Texas to Kenilworth, New Jersey.	Hearings held. Briefs submitted. Pending.

*Action is generally in accordance with the position suggested by the Port Authority.

Proceedings Before the Interstate Commerce Commission (continued)

Docket	Subject	Status
ICC 34486 34511	Railroads proposed reduced seasonal rates on multiple and single cars of export grain from Central Territory to North Atlantic ports.	*Rates were negotiated to satisfaction of parties involved and Commission discontinued proceedings.
ICC 34522 I&S 8230	Railroads proposed reduced free time on export traffic held in cars from 7 to 5 days at all U. S. ports.	Hearings held in New York, Chicago, New Orleans, Portland. Pending.
I&S 8212	Railroads proposed reduced proportional rate on canned goods from Pacific Coast to Eastern points.	Rate suspended and later withdrawn by railroads. Proceedings discontinued.
ICC 34573	Railroads published reduced transcontinental rail rates on canned goods between Pacific Coast and Eastern points.	Hearings held. Pending.
Sub 1	Reduced rates by Sea-Land Services, Inc. to meet all rail competition.	Pending.
Sub 5	Transcontinental railroads published proportional multiple car rate on eastbound canned goods subject to minimum weight of 1,000,000 pounds loaded in not more than 8 cars.	Port Authority protested. Rates not suspended, but assigned for investigation. Hearing held. Pending.

Proceedings Before the Federal Maritime Commission and Maritime Association

Docket	Subject	Status
Fact-Finding Investigation No. 4	Marine terminal practices at North Atlantic ports.	Pending.
Fact-Finding Investigation No. 5	Marine terminal practices at South Atlantic and Gulf ports.	Pending.
S-173	American-Hawaiian Steamship Company application of title XI Federal Mortgage Insurance for construction of containerships for intercoastal service.	Brief filed by North Atlantic Ports Association. Pending.
872	Joint Agreement No. 8200 between steamship lines of Far East Conference and Pacific Westbound Conference.	*Agreement found justified but supplement covering overland rates constitute an unapproved agreement. Carriers had to cease and desist until supplemental agreement was filed and approved by FMC. Pending.
983	Rules governing shipper contract rates systems of conferences of steamship lines engaged in U.S. foreign commerce.	Pending.
1114	Investigation of ocean rates of U.S. steel exports to certain foreign destinations that exceed ocean rates on steel imports.	Initial report found rates under investigation did not violate the Shipping Act. Report will be reviewed. Pending.
1135	Marine terminal practices of steamship lines engaged in foreign commerce at Great Lakes ports.	*Respondents eliminated practices under litigation. FMC discontinued proceedings.
1166	U.S. Atlantic & Gulf/Australia-New Zealand Conference proposed to modify Section 15 Agreement to include Great Lakes steamship service at rates no lower than those from North Atlantic ports.	FMC reversed examiner's decision and found rates from North Atlantic and Gulf ports need not be held as minimum rates applying from Lake ports. FMC issued order discontinuing the proceedings. Case will be appealed to the U.S. Court of Appeals.
1175	Meyer Line and other members of North Atlantic Continental Conference and Continental Westbound Freight Conference agreed to pooling of revenues after certain deductions for cargo handled at ports.	Carriers withdrew from conference agreements eliminating questions to be resolved. FMC discontinued proceeding.

*Action is generally in accordance with the position suggested by the Port Authority.

Proceedings Before the Federal Maritime Commission and Maritime Association (continued)

Docket	Subject	Status
1182	Investigation of reduced ocean rates of TMT Trailer Ferry, Inc. via Jacksonville, Florida to Puerto Rico which are lower than rates of Sea-Land Services, Inc.	Pending.
1187	Complaint by New York steamship lines against reduced ocean rates published by TMT Trailer Ferry, Inc. on grading and roadmaking machinery via Jacksonville, Florida to Puerto Rico.	FMC approved reduced rates of TMT and later approved reduced rates via SACL. Exceptions filed. Pending.
65-7	Conference and non-conference steamship lines imposed emergency ten percent surcharge on ocean freight during a longshoremen's strike.	Hearings held. Brief filed. Pending.
65-14	Investigation by FMC to determine whether free time and demurrage practices on in-bound freight at piers violate the Shipping Act.	Hearings held. Pending.
65-18	TMT Trailer Ferry, Inc. and South America-Caribbean Line, Inc. reduced rates on balsa wood toys from Florida to Puerto Rico below rates published by Sea-Land Services, Inc.	Carriers cancelled rates under litigation. Hearings discontinued.
65-31	Investigation by FMC of Overland Common Points and Overland Rates maintained between Far East and U.S. Pacific Coast ports.	Pre-hearing conference held. Pending.
65-34	Discount conference rates on iron and steel applicable from Baltimore and Gulf ports.	Hearings held. Pending.

Proceedings Before the Civil Aeronautics Board

Docket	Subject	Status
13577	Review of U.S. Flag airline transatlantic routes. The Port Authority supports competitive U.S. Flag airline passenger service between the Port District and Frankfurt, London, Paris and Rome and continued authorization of U.S. Flag all-cargo airline service between the Port District and European points with extension to a point or points in Italy.	*Examiner's decision rendered. CAB decision expected shortly.
12285	Renewal of Northeast Airlines' New York-Florida route. The Port Authority supports continued authorization of a third nonstop airline between the Port District and Miami/Ft. Lauderdale.	CAB decided to reduce competition between Port District and Miami/Ft. Lauderdale to two airlines. U.S. Court of Appeals stayed effectiveness of decision and remanded case to CAB for further consideration. CAB has reopened proceedings for further hearings.
15661	Review of New York Airways' operating authority and subsidy eligibility. The Port Authority supports permanent route authority for New York Airways and subsidy eligibility until 1971.	Hearings completed. Examiner's decision expected shortly.
10472	Renewal of Eastern Air Lines' New York/Washington-Mexico City route. The Port Authority supported permanent authorization of U.S. Flag nonstop airline service between the Port District and Mexico City.	*CAB granted Eastern permanent New York-Mexico City route.
15777	Proposed CAB regulation to authorize all-expense tours by supplemental air carriers and tour operators. The Port Authority supports amendments and additions to the proposed regulation to assure safe and efficient conduct of such tours while at the airport.	Awaits CAB action.

*Action is generally in accordance with the position suggested by the Port Authority.

PATH and Rail Transportation

An \$18,600,000 fleet of 162 aluminum, air-conditioned transit cars was placed in service in 1965 on the Port Authority Trans-Hudson system. This marked the completion of the first major step in the PATH program to rebuild and modernize the facilities and equipment of the former Hudson & Manhattan Railroad.

Progress also was made during the year on other phases of the PATH modernization program. Significant among these was the completion at year's end of important elements of the \$2,000,000 signal system rehabilitation program and the awarding of several major contracts for equipment and construction for a new and more reliable silicon rectifier traction power system, costing in excess of \$5,000,000.

Other PATH projects which moved ahead during the year were a \$2,000,000 station improvement program, the improvement of employee facilities and the introduction of new training programs for employees.

Planning in connection with the proposed new Journal Square Transportation Center in Jersey City went forward during the year, as did the planning and design work for PATH's new Hudson Terminal within the site of The World Trade Center in Manhattan.

Considerable headway also was made during the year on the improvements necessary to prepare PATH to handle the additional Central Railroad of New Jersey passengers who will be routed into Newark's Pennsylvania Station under the State of New Jersey's Aldene Plan.

All New Cars In Service

By year's end, the entire H&M passenger fleet of antiquated "black cars", some almost 60 years old, had been replaced by a new fleet of all-aluminum, air-conditioned cars. The new car fleet, added to the 47 air-conditioned cars purchased in 1958 for the Newark Joint Service, gives PATH the first completely air-conditioned rail transit fleet in the United States.

The first six of the new cars were placed in service on April 8th by Governor Richard J.

Hughes of New Jersey and Governor Nelson A. Rockefeller of New York. Mayor Thomas J. Whelan of Jersey City and other federal, state and local officials participated in the ceremony at the Journal Square Station in Jersey City.

Passenger reaction to the comfort and appearance of the new cars has been most favorable. Moreover, the greater speed and efficiency of the new cars have made possible faster running times and generally improved service on all lines of the system.

By the end of the year, 154 of the old "black cars" had been sold for scrap.

Aldene Plan

In December 1962, the New Jersey Legislature authorized the State's Division of Rail Transportation to proceed with its plan to re-route Jersey Central trains over Lehigh Valley Railroad and Pennsylvania Railroad tracks into Pennsylvania Station, Newark. Under the plan, passengers of the line will change at Newark to PATH or the Pennsylvania Railroad for completion of their trips to downtown or midtown New York. The Jersey Central shore trains operating over the New York and Long Branch Railroad also will be routed to Newark under this Plan.

In May 1965, the PATH Board authorized a \$15,200,000 project which includes the purchase of additional cars and improvement of the power, signal, communications, track and station facilities required for the Newark-Hudson Terminal service under Aldene Plan.

An essential requirement for the project was receipt of an Urban Mass Transportation Act grant from the Federal Housing and Home Finance Agency to be applied toward the capital costs. Another requirement was PATH's negotiation of a new lease with the Pennsylvania Railroad, governing future operation of the jointly operated rail service between Newark and Jersey City.

The HHFA approved PATH's application for a grant of \$5,100,000 on July 1, 1965. However, payments to PATH under the federal grant were





Governors Rockefeller and Hughes join Port Authority Commissioner Clancy (left), Vice Chairman Kellogg and Mayor Whelan of Jersey City in hailing PATH's new car service.

conditioned upon execution of labor agreements with their unions by PATH and the Pennsylvania Railroad in accordance with Section 10c of the Urban Mass Transportation Act. The federal grant payments also were conditioned upon Interstate Commerce Commission approval of the new PATH-Pennsylvania lease arrangements for the Newark service.

Shortly after the Pennsylvania had concluded its final labor agreement, the PATH Board then authorized award of a contract to the low bidder for the purchase of 44 new air-conditioned PATH cars to accommodate Aldene passengers. The car order, totalling over \$5,300,000 was placed with the St. Louis Car Division of General Steel Industries, Inc. on January 10, 1966.

In November, PATH and the Pennsylvania Railroad concluded a lease providing for PATH's assumption of single responsibility for the previously jointly operated rail service and facilities between Newark and Jersey City. Under the new lease, effective upon the start of full Aldene operations, PATH's operating area will be vir-

tually doubled. By assuming full responsibility for the Newark transit service, PATH will take over all of the Pennsylvania's responsibilities and the deficits that go with them. The new lease was submitted to the Interstate Commerce Commission for its approval early in 1966.

Passenger Service Improvements

Additional late evening departures, limited express service on weekends and standardized non-rush hour schedules were provided for PATH riders on April 25. The service changes augmented improvements introduced in October, 1964 to provide better connections with commuter railroads and reduce waiting time at station transfer points.

A new pocket-size Service Guide was distributed to all PATH passengers at the end of the year. The Guide lists frequency of PATH's train service at all times of the day and night and covers more than 1,000 daily train movements on all five lines of the system. Running times between terminals, connections with other tran-

sit facilities and a map of the system also are included in the Guide.

As an aid to PATH commuters making connections with the Erie-Lackawanna Railroad at Hoboken, PATH also installed schedule posters in its Manhattan terminals which list late evening and weekend departure times for Hoboken in timetable form.

PATH Modernization

Planning activities for the development of the Transportation Center at Journal Square progressed during the past year. This planning work is being coordinated with Jersey City officials who are planning improvements in the area around the PATH station. The plans for the Center include improved station facilities for PATH rail operations, a modern transportation terminal building and consumer service areas, and a bus terminal.

Planning for the new Hudson Terminal, to be built within the site of The World Trade Center, envisions a modern facility with longer and wider platforms that will be capable of efficiently handling increased peak-hour train movements and passenger volumes.

New Power System

Supplying the necessary traction power to operate trains on the modernized system is another key element of the PATH modernization program. On November 12, 1964, the PATH Board of Directors authorized a new silicon rectifier power system, and detailed engineering design work began immediately. In February 1965, a contract was awarded for the supply of all alternating current required for the new system. In April, the PATH Board authorized the purchase of fifteen silicon rectifier units and related equipment. A third major contract, awarded in December 1965, provides for electrical installation work on the New Jersey section of the new power system. The entire traction power project, to cost over \$5,000,000, is scheduled for completion in early 1967.

Signal Rehabilitation

In June, 1964 work began on a two-year \$2,000,000 signal system rehabilitation program. The program includes modernization of interlocking signal control equipment, improvement of

signal power distribution, and upgrading of automatic signals. A final stage, authorized in August, 1965, provides for the installation of equipment for automatic operation of interlockings and the control of interlockings from a central traffic control console at Hudson Terminal.

Other Improvements

Rehabilitation work at PATH during 1965 also included the repair of six power transformers, the overhaul of a rotary converter unit, and repair of a number of tunnel drainage system pumps. A program of repairs and preventive maintenance on cars used in the PATH-Pennsylvania Railroad Newark Joint Service went forward throughout the year.

The Hoboken Way and Power Shop and the Henderson Street Car Shop in Jersey City also were improved during the year. The work at Hoboken included rehabilitation of facilities and upgrading of shop areas. At the Henderson Street Shop, new maintenance areas were constructed, new equipment installed and older shop facilities rehabilitated in preparation for handling the new car fleet. Specialized work equipment was ordered to be used in developing an improved track maintenance program.

An ultrasonic rail test was conducted in June, 1965 throughout the PATH system—the third such rail test since PATH acquired the system. All rail sections found below standard were replaced. These tests will continue to be made twice each year.

During the year PATH also continued its program to provide improved employee facilities at selected points throughout the system. A new centralized locker area-lunchroom for the PATH porter force was completed at Hudson Terminal in February, and a new lounge area for the use of train crews between their work assignments was provided on the mezzanine of the Journal Square Station. Lounge areas for train crews were previously opened at Hoboken and Hudson Terminal.

Station Improvements

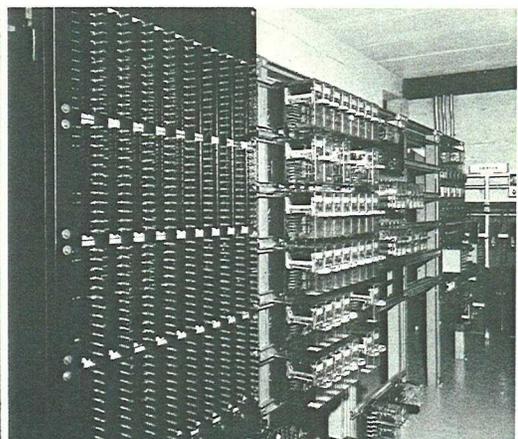
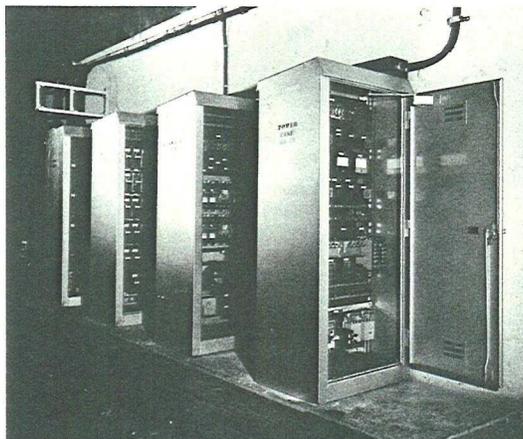
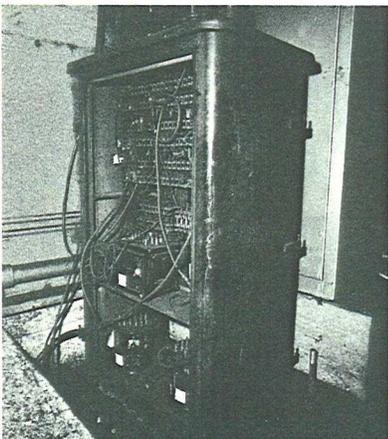
PATH's \$2,000,000 station improvement program, authorized in May, progressed during 1965. Improvements being made under this program include the installation of new and

PATH Modernization

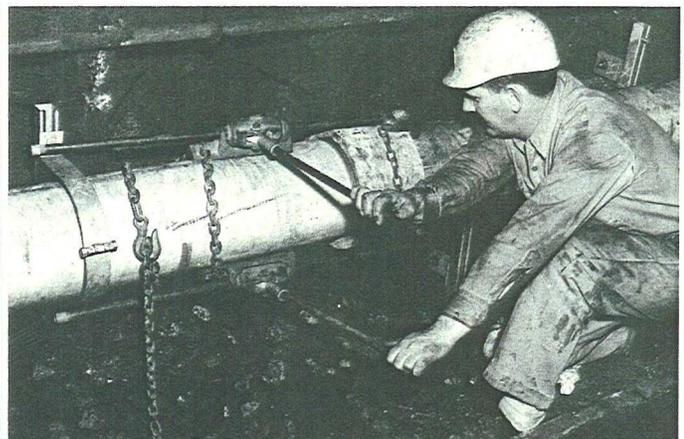
Progress was made during 1965 on various phases of the PATH modernization program which is transforming the decrepit former Hudson & Manhattan Railroad to a safer, more efficient, rapid transit system.



To complement PATH's new fleet of air-conditioned cars, a station rehabilitation test project (right) was initiated at the Hoboken terminal featuring brighter lighting,



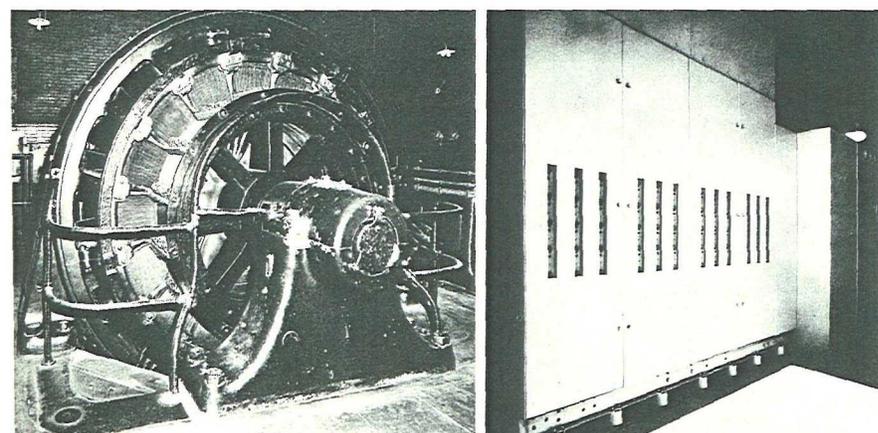
New equipment (shown in center and right photographs) not only replaces the relay case (shown left) but consolidates other relay systems containing more complex circuitry which will permit the introduction of additional automatic and remote control devices.



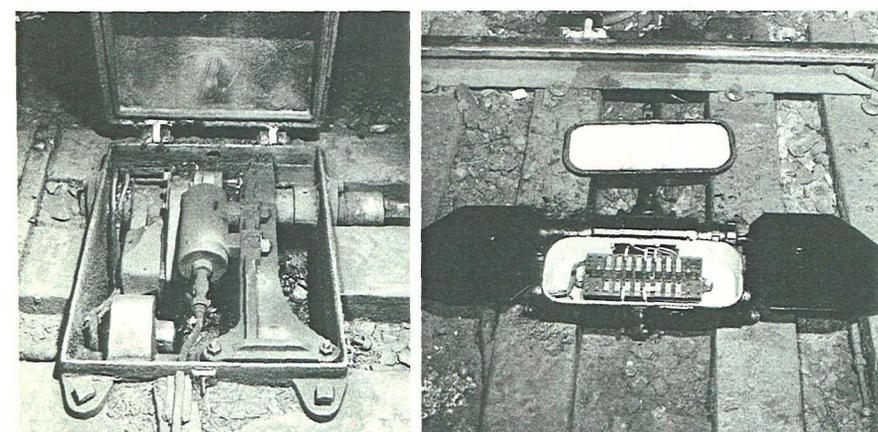
Corroded cast iron drainage pipe (left) previously used in under-river section of PATH tunnel is being replaced with new corrosion-resistant, asbestos-cement pipe.



coordinated color schemes, modern seating units, and new directional and identification signs.



Old Rotary Converter (left) presently installed at Substation on the PATH system, is scheduled to be replaced by new Silicon Rectifier unit (right).



For greater safety, old automatic train stops of the counterweight type (left) are now being replaced with new spring type automatic train stops (right).

better station lighting, replacement or repair of existing public and employee rest room facilities, replacement of stair treads and installation of automatic electric elevators at the Exchange Place Station. New directional and identification signs, colorful modern seating units, and miscellaneous repairs and refurbishing of public areas also will be included.

Organization and Staff

Port Authority Commissioners and staff serve respectively as the directors and officers of PATH. The twelve Commissioners of the Port Authority serve as the Board of Directors; the Port Authority's Executive Director is President; the Deputy Executive Director is Senior Vice President; the Director of the Port Authority's Rail Transportation Department is the Vice President and the General Manager of PATH; and the Authority's General Counsel also is Counsel for PATH.

Throughout 1965, PATH continued to strengthen the personnel resources of the rail transit system it acquired in September, 1962. A basic training program for operations and maintenance employees and supervisory personnel is under way to assure the availability of trained personnel for the present and future needs of the modernized PATH system. The training program includes courses on railroad signal maintenance, motormen's operating duties (particularly with newer, modern equipment), fire prevention and inspection, and maintenance and repair of old and new car equipment.

The last of the new agreements with PATH unions, representing about 1,100 employees, was completed in 1965. Like all others previously entered into by PATH, it provides for an increase in wages and benefits, and formally establishes new and different operating relationships.

PATH Passenger Volume and Revenues, 1965

Passengers on the PATH system in 1965 totalled 26,400,000, a decrease of 6.1 percent, or some 1,730,000 passengers below the 28,130,000 passengers carried in 1964. Gross passenger revenues of \$7,126,800 were less than 1964's \$7,602,000 by 6.3 percent. Some of this passenger loss was anticipated because of unusual

traffic gains in February-March 1964, when Leap Year's extra day and the 16-day Public Service bus strike combined to add 380,000 passengers to first quarter traffic. Adjusting for these factors, passenger traffic during 1965 showed a loss of 1,350,000 passengers from 1964, or just over 4.9 percent.

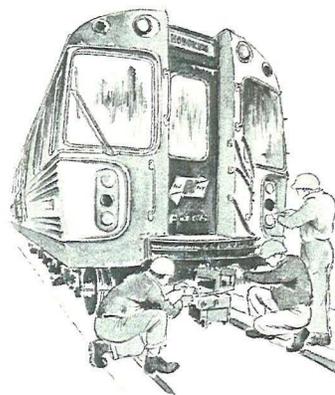
Bi-State Statute on Port Authority Participation in Rail Transit

The 1962 statute adopted by the Legislatures of the two States, which authorized the acquisition of the interstate Hudson and Manhattan Railroad, specifically met the fundamental need to protect the credit of the Authority so that it could continue its vital self-supporting program. The Legislatures recognized that the credit of the Port Authority would be impaired if the Authority undertook such a perpetual deficit facility, unless the states entered into an enforceable contract with Port Authority bondholders granting assurance against dilution of already pledged revenues by any additional commuter rail deficits beyond those of the basic Hudson Tubes System. The legislation includes such statutory covenants setting forth a number of protective limits. In general terms, the principal limitations provide that the Port Authority may not use funds for any additional commuter railroad purpose, unless it determines that the new railroad facility to be authorized is self-supporting, or, if it is not self-supporting, that the estimated average annual deficits from the proposed additional facility and any existing Port Authority commuter railroad facilities (such as PATH) would not, in total, exceed 10 percent of the amount in the General Reserve Fund at the end of the previous year. The limiting figure may be enlarged to the extent of state subsidies for railroad commuter purposes.

The Port Authority may not become financially involved in deficit commuter railroad operations except upon compliance with the covenants contained in this legislation. Other existing covenants with Port Authority bond-

holders also require that projects not be undertaken which would materially impair the sound credit standing of the Authority or the investment status of its bonds.

Under this protection to its credit, the Authority was able to continue to raise funds to provide for PATH as well as other necessary public facilities after it acquired the bankrupt and dilapidated interstate Hudson and Manhattan Railroad in 1962.



PATH Condemnation

On December 10, 1965, New York Supreme Court Justice Charles A. Loreto handed down a decision adjudging the amount of money to be paid by the Port Authority Trans-Hudson Corporation ("PATH Corporation") to the Hudson & Manhattan Corporation and Hudson Rapid Tubes Corporation as compensation for PATH's condemnation of the Hudson Tubes road and equipment, including the Hudson Terminal buildings. The compensation was fixed at \$72,845,000, of which \$55,000,000 is for the road and equipment and \$17,845,000 is for the Hudson Terminal buildings. These sums are exclusive of interest, the amount of which is to be determined. Counsel for PATH is of the opinion that the compensation so fixed is excessive and has announced on behalf of PATH that an appeal from such award is planned.

New York State Commuter Railroad Equipment Program

The Commuter Railroad Equipment Program was created by the State of New York in 1959 to provide public financial assistance in the purchase of critically needed rolling stock for lease to the three commuter railroads serving the New York side of the Port. The Port Authority's role as program administrator is based on concurrent legislation enacted by the States of New York and New Jersey under which either state could act to make the Port Authority administrator of its own particular commuter railroad equipment program.

The approval of the New York electorate in November, 1961 permits the State to guarantee up to \$100,000,000 of special Port Authority bonds to finance rolling stock used in passenger transportation by the Long Island Rail Road, the New York Central Railroad and the New Haven Railroad.

New York Central Railroad

Early in 1965, the last three cars of a total of 87 new air-conditioned commuter cars manufactured for the New York Central Railroad under the Equipment Program were delivered to the line. The 87 new cars have a capacity of approximately 11,400 passengers and cost about \$14,000,000.

Long Island Rail Road

In the fall of 1963, delivery was completed of 30 new air-conditioned commuter cars leased to the Long Island Rail Road. The cars, which cost about \$5,300,000, have a capacity of approximately 4,000 passengers. With the creation by New York State of the Metropolitan Commuter Transportation Authority in 1965, it is anticipated that this program may continue and that the new Authority may use the program in

meeting the continuing needs of the L.I.R.R. and the MCTA's vigorous program for its future development.

New Haven Railroad

The States of New York and Connecticut are engaged in a joint program to preserve and improve the commuter service of the New Haven Railroad. As a major element of this program, they have secured federal financial participation under the Urban Mass Transportation Act of 1964 in an interim project that will maintain the railroad's commuter service pending implementation of a long-term arrangement. The Authority is participating in the interim project as administrator of the Commuter Railroad Equipment Program pursuant to agreements made in June 1965.

Financing of the Program

The agreements between the Port Authority and the railroads require the railroads to pay rentals on the cars involved equal to the debt service on the outstanding bonds, and the administrative costs, of the Commuter Railroad Equipment Program.

The legislation authorizing the Commuter Railroad Equipment Program carefully protects the Port Authority's financial structure. As administrator of the Program, the Port Authority can neither derive revenues nor incur expenses from it which may in any way add to or detract from the revenues or reserves pledged to Consolidated Bonds or to any other Port Authority bonds than those issued under the Program. These State Guaranteed Commuter Car Bonds are not included in determining the amount of the Authority's General Reserve Fund requirements.*

*The Assets and Liabilities of the New York State Commuter Car Program are set forth in Financial Statement K, Page 85.

Air Terminals

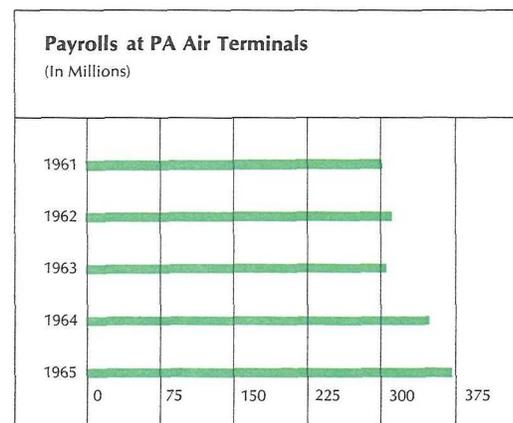
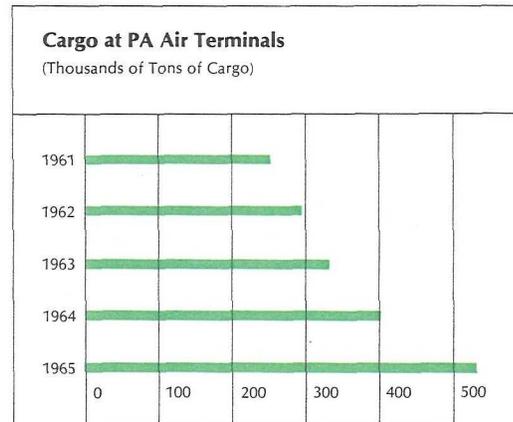
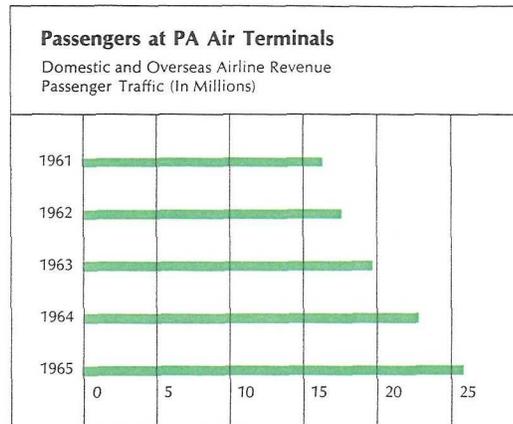
The air travel needs of the New Jersey-New York metropolitan area are served by a regional air terminal system developed, financed and operated by the Port Authority. This regional network includes John F. Kennedy International and LaGuardia Airports in New York, Newark and Teterboro Airports in New Jersey, and two commercial heliports in Manhattan.

In 1965, the four regional airports handled 1,029,000 aircraft movements and served a record 25,826,200 air passengers, increases of 10.9 percent and 13.0 percent respectively over 1964. Air cargo volumes increased by 32.0 percent to 531,600 tons, and air mail increased 8.8 percent to 102,150 tons.

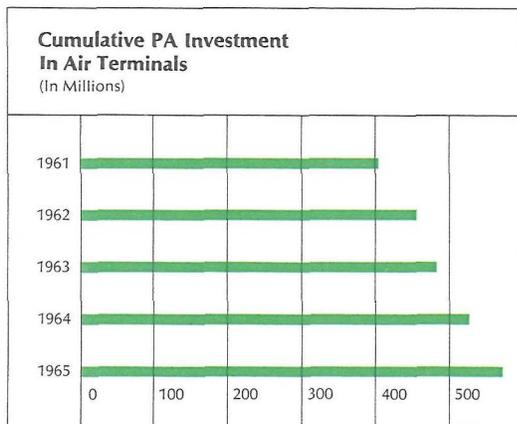
The four airports provided jobs for 44,599 people who earned an estimated \$374,300,000 during the year. This does not include the earnings of the thousands of people working on airport construction jobs, nor does it include the many thousands of jobs related to airline and airport services. The Port Authority's total airport investment at the end of the year was \$574,800,000, an increase of \$45,300,000 over 1964.

At Newark Airport, work progressed on the \$150,000,000 redevelopment program which will increase the airport's aircraft operating capacity by 50 percent. More than 14,000,000 cubic yards of hydraulic fill had been placed at year's end as a 450-acre tract was prepared for the construction of three new terminal buildings.

An understanding was reached between the Port Authority and Pan American World Airways under which Teterboro Airport will have a bright future as a hub for general aviation activities in the Port District. This activity will be strengthened by Pan American's establishing an operating and sales base at the airport for the new twin-engine fan jet Falcon. Pan American will commence operation of the airport in 1966 and bring the convenience of airline check-in service to northern New Jersey without bringing large airline aircraft to Teterboro. A new terminal will be constructed and heli-







copter shuttle service to and from Kennedy International Airport will be provided.

At Kennedy International Airport the Air Cargo Center, already the largest in the world, continued to expand to accommodate the rapidly-growing air cargo industry. British Overseas Airways Corporation opened an ultramodern cargo center in November. Pan American and Seaboard World Airways will open new cargo buildings during 1966. The Seaboard building is being constructed in a new 37-acre cargo area across 150th Street from the existing 122-acre Air Cargo Center. The Port Authority has plans for one or more additional cargo buildings in the new cargo area.

At LaGuardia Airport, the Port Authority's redevelopment program moved forward, with completion scheduled for 1967. Passenger traffic and aircraft movements increased 27.1 and 21.1 percent, respectively.

In 1965 the Port Authority Downtown Heliport served 37,879 passengers, 12.0 percent more than 1964. Helicopter movements, however, were down slightly to 16,945, a decrease of 5.3 percent. Air cargo at the heliport also showed a decline of 26.1 percent to 68,000 pounds. The West 30th Street Heliport continued to serve charter, corporate and private operators throughout the year.

In July, 1965, the Port Authority completed two airport site studies. One was an evaluation of the Bearfort area in Passaic County and the Bowling Green area on the Morris-Sussex County border of New Jersey as sites for a new major airport to serve the metropolitan area. The second was a re-evaluation of the Pine

Island area in Orange County, New York. These studies had been undertaken at the request of the Governors of New Jersey and New York.

Both studies concluded that the development of a major air terminal at these sites would be so costly that they would never approach self-supporting status. In each case, it was found that even if the proposed airport were operated at maximum capacity from the start, it would require a subsidy of several hundred million dollars.

In July, Governor Rockefeller requested the Port Authority "to continue to press forward with the search" for a suitable airport site and to provide a recommendation for action by the 1966 Legislature. Governor Hughes concurred with this request, and this study was nearing completion at the end of the year.

In the past few years foreign air travel has been experiencing a phenomenal growth in the United States, with most of the gains recorded at John F. Kennedy International Airport, where more than 5,069,000 air travelers were handled during the year.





During the year, New York's Regional Airports handled more than 50 percent of all United States foreign air cargo, as more and more shippers became aware of the reasonable costs and time saved in shipping by air.

A supplement to the lease between the City of New York and the Port Authority under which the Authority operates LaGuardia Airport and John F. Kennedy International Airport was executed on December 21, 1965. The supplement extends the term of the lease to December 31, 2015, increases the guaranteed annual rent and revises the formula for City participation in net revenues.

John F. Kennedy International Airport

In 1965 Kennedy International Airport set records in all categories of activity, and handled 16,208,000 domestic and overseas air passengers. Domestic passengers totaled 11,139,000, up 9.6 percent over 1964; overseas travelers increased to 5,069,000, a 14.1 percent jump.

There were 356,000 take-offs and landings at Kennedy Airport, a gain of 7.1 percent over 1964. The volume of air mail processed at Kennedy rose 8.2 percent to 85,600 tons.

At the end of 1965 the Port Authority's investment in the airport totaled \$381,300,000, an increase of \$14,800,000 over the previous year. Employment at the airport was provided

for 33,382 people who earned an estimated \$276,900,000 in 1965. Kennedy and LaGuardia Airports remained Queens' largest industry. Together they served as a most important factor in the increased economic growth and stability of the area.

Terminal City

Construction and expansion continued at a rapid pace in the 655-acre Terminal City in 1965. Test borings were made for the British Overseas Airways Corporation Passenger Terminal, which will be the first terminal constructed by a foreign-flag carrier at Kennedy.

Work continued on the expansion of the south wing of the Trans World Airlines Terminal to provide additional lounges and other passenger accommodations.

The Port Authority and the international airlines at Kennedy commenced an expansion and improvement program of the baggage delivery system within the International Arrival Building. The first stage, a 10,000 square-foot expansion of the West Customs Hall, was completed in May. In the fall, immediately after the peak sum-

mer travel season, work began on the interior finish of the hall. The project will include installation of four mechanical conveyor belts which will deliver baggage directly to waiting passengers rather than requiring passengers to move around locating their luggage. The baggage improvement project is scheduled for completion in June, 1966.

Construction of the tri-faith chapel plaza was nearing completion at the close of the year. The Jewish Synagogue was opened late in 1965, and work continued on the Catholic Chapel. The first service was celebrated in the Protestant Chapel in December, 1964.

Construction was started late in the year on a new passenger terminal in Hangar 11 on the north side of the airport for use by supplemental air carriers which provide domestic and overseas charter flights. The new terminal, to be opened by the summer of 1966, will provide four jet aircraft gate positions, individual airline ticket counters, self-claim baggage racks, air-conditioned waiting rooms, rest rooms and space for a snack bar. Parking space for 250 cars will be adjacent to the hangar. Supplemental air carriers now operate from the general aviation terminal in the Operations Cargo Building, which will be removed to make way for the BOAC passenger terminal.

Air Cargo Center

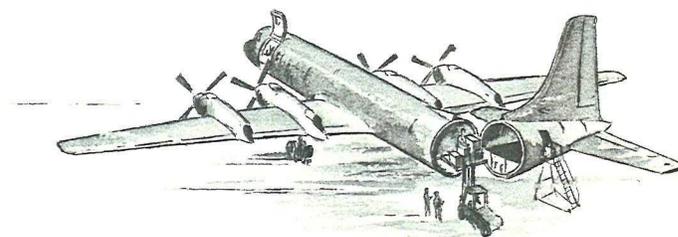
Growth of air cargo at Kennedy continued at a tremendous rate and the world's largest air cargo center was enlarged to keep pace with increasing demands. BOAC opened a modern \$1,600,000 facility near the northern perimeter of the airport in November. The bi-level structure provides 30,000 square feet of cargo handling space and includes a mechanized cargo handling system and a warehouse with deep-freeze and refrigeration units.

Pan American's \$7,000,000 facility, north of the BOAC cargo center, was about 50 percent completed at the end of 1965. The new facility will accommodate three jet freighters simultaneously and will increase the airline's cargo handling space at Kennedy ten-fold.

Seaboard World Airlines began construction of a \$3,000,000 one-story warehouse and two-story annex on a 12-acre site in the southerly portion of a new 37-acre cargo area across 150th

Street from the existing cargo center. This building is scheduled for completion in late summer 1966. The Port Authority has plans for one or two other cargo structures to be built on the remaining 25 acres.

Cargo tonnage handled at Kennedy increased last year to 417,200 tons, as compared to 65,600 tons that passed through Kennedy in 1956, the first year of operation of the Air Cargo Center. The 1965 total represents more than half of the total United States foreign air cargo.



Runways

The modernization and extension of Runway 13L-31R, begun in 1964, continued during the year. The runway is being extended from 8,000 to 10,000 feet to permit greater flexibility in handling jet aircraft and reduce traffic delays. Construction includes high-speed taxiway turnoffs and the installation of a centerline lighting system. The work is expected to be completed by July, 1966.

Other Developments

Ground was broken in August for a new Police-Operations Building which also will contain terminal facilities for general aviation. The building will be located off the continuation of the Van Wyck Expressway just prior to entering Terminal City. The police facilities in this building and in a new Equipment Garage to be located adjacent to the Police-Operations Building will replace space in structures to be removed to make way for the new BOAC Passenger Terminal.

LaGuardia Airport

LaGuardia Airport's renaissance continued in 1965 as it entered its second quarter century of service to the metropolitan area. Increased jet schedules and a growing familiarity of passengers with the new \$36,000,000 terminal were

the reasons for the airport's continued growth in the past year. It was the second straight year that LaGuardia passenger and traffic totals showed marked increases, reversing the gradual downward trend experienced during the redevelopment era. Passenger volume grew to 4,750,300, an increase of 27.1 percent over 1964. Aircraft movements increased 21.6 percent to 206,700. Air cargo tonnage also increased to 14,200 tons, a 32.7 percent jump. Air mail showed a slight decrease to 2,800 tons, 3.4 percent less than 1964.

An estimated \$47,100,000 was earned by the 5,182 persons employed at LaGuardia Airport in 1965. At year's end, the Port Authority had invested \$121,300,000 in the airport.

Terminal Facilities

Airline and other tenants continued interior modifications of their respective areas in the Central Terminal and Wing Buildings. Plans have been formulated for snack bar services to supplement the airport's restaurant facilities, and construction will begin early next year.

Butler Aviation-LaGuardia, Inc., fixed base operator at the airport, commenced a major improvement program for the benefit of general aviation. Construction is under way on a general aviation passenger lounge, a pilot's information and operations center and a new heated and air-conditioned walkway for passengers.

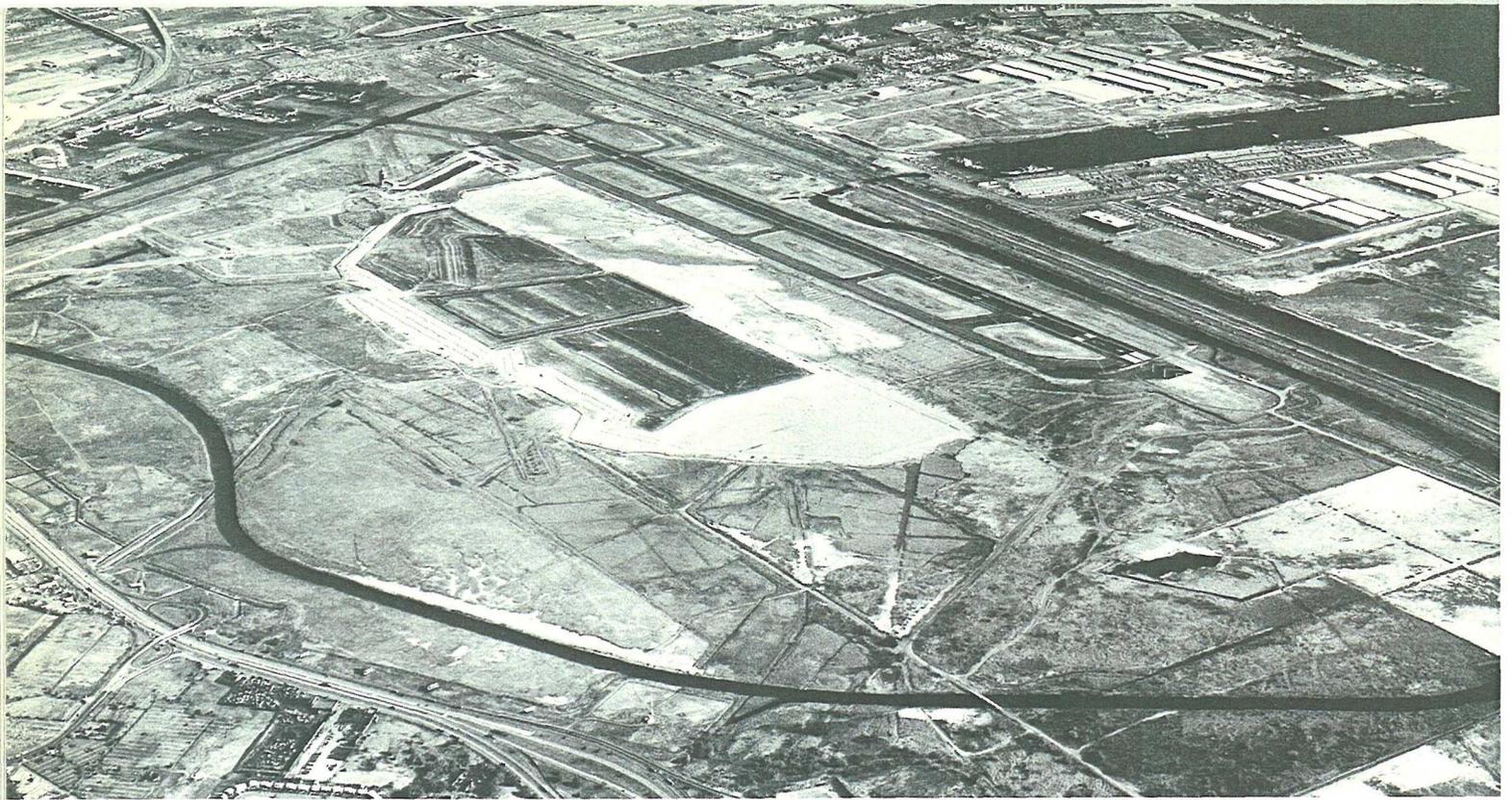
Runway Extensions

The \$40,000,000 extension of Runways 4-22 and 13-31 into Flushing Bay to a length of 7,000 feet progressed on schedule, reaching the halfway point in September.

This unique engineering project calls for runway extensions on a massive pile-supported concrete structure covering 50 acres. Runway 4-22 is being extended 2,000 feet to the northeast over the water, and Runway 13-31 is being extended 1,000 feet westward into the channel. In addition, a 3,000-foot-long wooden approach light pier was built beyond the end of Runway 4-22. The project will be completed early in 1967.

The \$40,000,000 extension of Runways 4-22 and 13-31 into Flushing Bay passed the half-way mark in 1965, as LaGuardia Airport recorded impressive gains in domestic air travel for the second straight year.





Site preparation for the new Newark Airport terminal complex progressed with the placement of over 14,000,000 cubic yards of hydraulic fill and surcharge on a 450-acre area in the center of the airfield.

Newark Airport

In 1965 Newark Airport served 4,867,800 passengers, a 7.9 percent rise over the previous year. Aircraft movements rose 9.7 percent to 201,280, and air cargo increased to 98,900 tons, 23.7 percent more than 1964.

An estimated \$43,300,000 was earned by the 5,100 persons employed at Newark Airport in 1965. At the close of the year the Port Authority's investment in the facility had reached \$60,800,000.

The Port Authority's revised long-range redevelopment program now under way at Newark is expected to increase the airport's operating capacity by more than 50 percent. The \$150,000,000 program calls for the construction of a new terminal complex consisting of three curved main buildings arranged in an oval-shaped pattern, located in the central area of the airport. The first terminal building, with supporting facilities, is scheduled for completion in 1969 with the second and third buildings to be completed thereafter.

The redevelopment will include public parking space for 9,600 automobiles, an under-

ground fuel distribution system, modifications and extensions of the existing Instrument Runway 4-22 and Runway 11-29 as well as construction of a new parallel Runway 4-22. The airport's present terminal will be converted into a hangar.

New Terminal Complex

The new terminal complex has been designed for the smooth flow of passenger traffic. Walking distances have been held to a minimum. A split-level building concept will be employed, and each of the three terminal buildings will have covered walkways with corridors leading to three satellite flight centers located in the ramp area. There will be eight to ten aircraft gate positions at each of these nine satellites affording a total of more than 80 plane positions in the new terminal complex. Only 32 positions are available at the existing terminal. The satellite centers will have separate waiting rooms for each aircraft gate, as well as food and other services so that it will be unnecessary for passengers to return to the main building while awaiting flights.

While passing from the public parking areas located within the roadway loop to the terminals, passengers will not need to cross roadways.

The airport's redevelopment program will include more than 14 miles of new highways and service roads. The terminal roadway system offers a separate and direct access route to each of the three terminal buildings without mixing entering and departing traffic. In cooperation with the New Jersey State Highway Department, new major interchanges, which will furnish access to the airport from U. S. 1-9, U. S. 1-78, and the New Jersey Turnpike, are now under construction.

New Runway 4-22 scheduled for completion in 1969, will be positioned to the west of, and parallel to, the existing north-south instrument Runway 4-22. Other improvements to the runways and taxiways are planned, including the extension of the existing 4-22 from a length of 7,000 to a new effective length of 8,200 feet. In addition, east-west Runway 11-29 will be extended from 6,800 to 7,300 feet.

The first stage of the redevelopment program is the placement of over 14,000,000 cubic yards of hydraulic fill and surcharge in a 450-acre area in the center of the airport. This site preparation for the new terminal complex, runways, and fuel farm began in the fall of 1964.

As the redevelopment program got under way, interim modifications and improvements were made to the existing facilities to meet growing passenger volumes.

These included 300-foot extensions to the East and West Arcades of the present terminal, increasing the total aircraft gate positions from 26 to 32. Comfortable, air-conditioned passenger waiting areas also were provided.

Teterboro Airport

A bright future for Teterboro Airport was assured when plans for the future operation of the 48-year-old air terminal were announced in August by the Port Authority and Pan American World Airways. The program will be carried out under a 30-year operating agreement between the Port Authority and Pan American which will begin operation of the airport in 1966.

Under the agreement, Teterboro will continue to be operated as a public airport for general aviation. No scheduled airline operations,

except for helicopter service, will be permitted. Pan American's plans include a major improvement of the airport's facilities so that it will continue to serve the Port District as one of the country's outstanding general aviation airports.

The convenience of airline service would be brought to the area without bringing large airline aircraft into Teterboro by proposed construction by Pan American of a new terminal with facilities for baggage and passenger check-in and by New York Airways Helicopter shuttle service to and from Kennedy International Airport. Pan American also plans to make Teterboro a headquarters for its corporate plane division which markets the new twin-engine eight-passenger Falcon.

During 1965, Teterboro Airport provided jobs for more than 940 people who earned an estimated \$7,000,000. The planned improvements to the airport and its increased activity will increase this employment substantially and add an additional \$11,000,000 a year to the local economy.

In preparation for Pan American's operations at Teterboro, plans and specifications were developed during the year for a 1,000-foot extension of Runway 6-24 to a length of 6,000 feet and widening of the runway from 100 to 150 feet. An improved runway lighting system will be installed, navigational aids will be improved, and new taxiway connections will be built to the southwest and northeast ends of the runway. Completion is scheduled for May, 1966.



Teterboro Airport continued to show gains in traffic movements during 1965. The airport recorded 264,900 landings and take-offs during the year, an increase of 9.8 percent over 1964. Corporate and private movements, which constitute the major part of the airport's operation, increased 11.3 percent, while flying school movements increased 6.3 percent. The Port Authority's investment in the airport at the end of the year totaled \$10,500,000.

Marine Terminals

Foreign commerce is a vital and sustaining force in the economy of the New York metropolitan region. To maintain this commerce in the face of ever-increasing competition among ports, it is essential that the Port of New York offers shippers the most modern and efficient marine facilities. In its continuing efforts toward this end, the Port Authority has been engaged, since 1945, in a \$425,000,000 marine terminal development program in the bi-state harbor. To date, \$270,300,000 has been invested in the development of marine facilities in New Jersey and New York. In 1965, \$9,100,000 was expended on marine terminal construction and about \$25,000,000 will be spent on additional improvements in 1966.

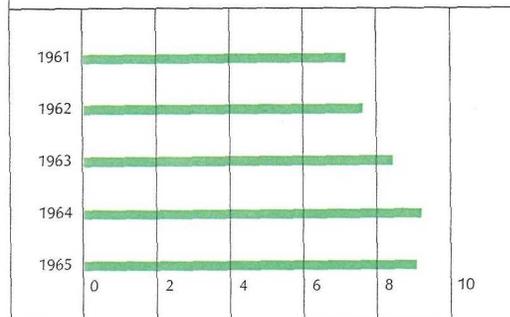
The Port Authority is financing, developing and operating six marine terminals: Port Newark, the Elizabeth-Port Authority Marine Terminal and the Hoboken-Port Authority Marine Terminal in New Jersey; the Brooklyn-Port Authority Marine Terminal, the Erie Basin-Port Authority Marine Terminal and the Port Authority Grain Terminal and Columbia Street Pier in New York. These terminals comprise 34.0 percent of the bi-state harbor's deep-water cargo berths. During the year, they handled 38 percent of the Port's foreign general cargo in addition to a substantial volume of domestic tonnage.

In 1965, more than 9,167,000 long tons of cargo were handled at Port Authority Marine Terminals, a decrease of 0.8 percent from the preceding year. This decrease was caused by a 33 day longshoremen's strike in January and February and a 2½ month maritime union stoppage during the summer. This tonnage, valued at \$5,749,000, included more than 8,098,000 long tons of high value foreign and domestic general cargo which produces the largest volume of waterfront employment.

During 1965, the Port Authority's marine facilities continued to lead the nation in the handling of containerized general cargo with a total of 1,948,093 long tons. They also handled 85 percent of the Port's frozen meat, 48 percent

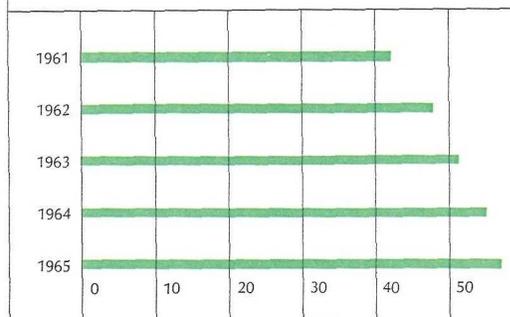
Tonnages at PA Marine Terminals

(Long Tons Millions)



Payrolls at PA Marine Terminals

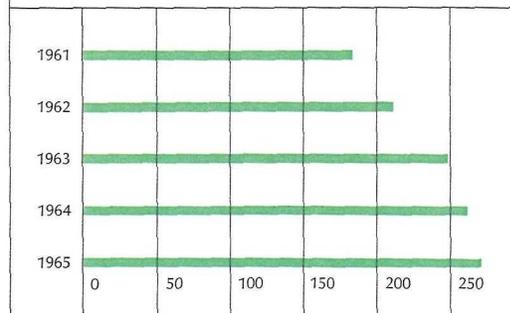
(In Millions)

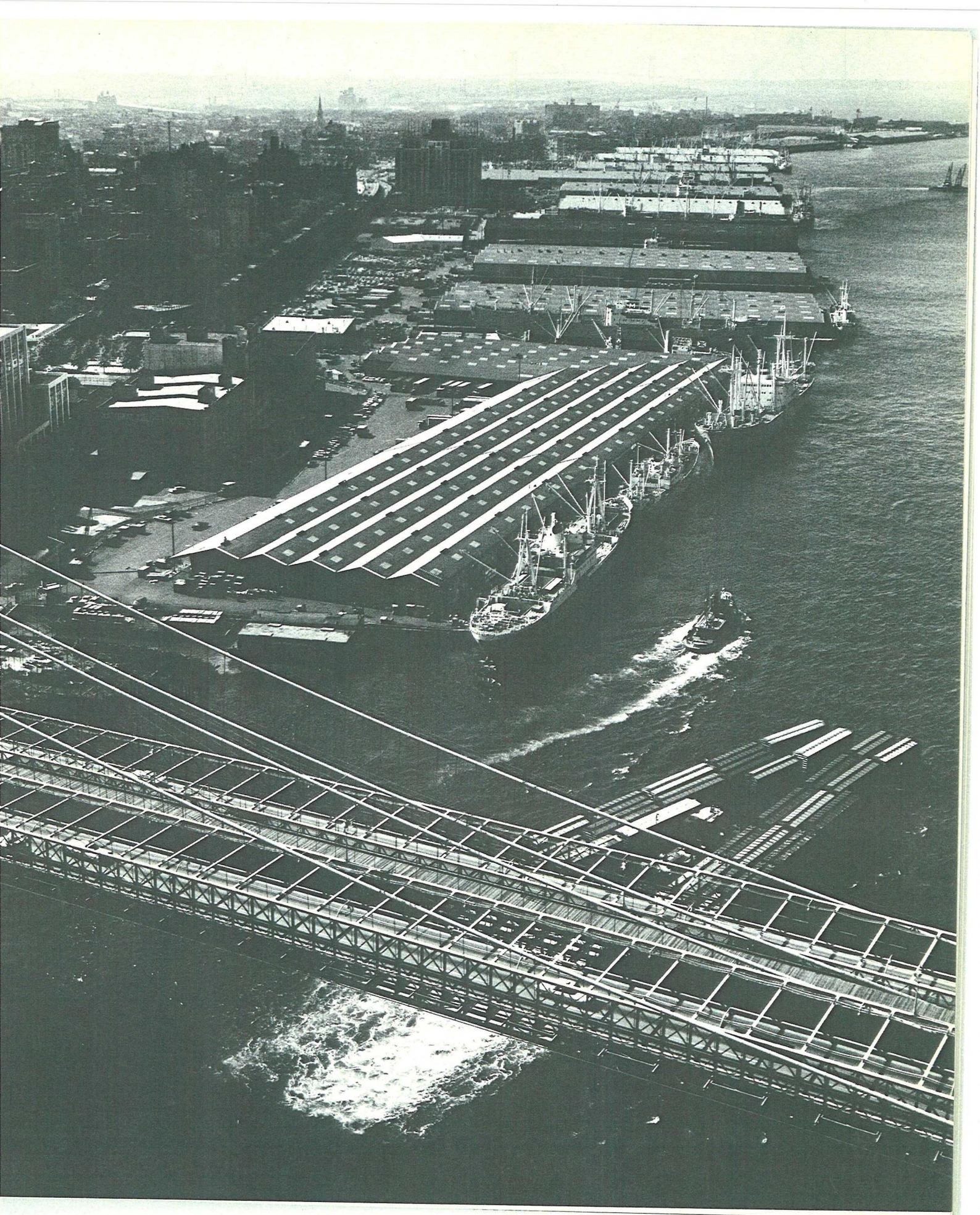


Cumulative PA Investment

In Marine Terminals

(In Millions)







During 1965 the six Port Authority Marine Terminals handled 8,098,000 long tons of high value foreign and domestic general cargo. This type of cargo produces the largest volume of waterfront employment.

of the lumber, 95 percent of the automobile imports, and 47 percent of the scrap metal exports that moved through the New York-New Jersey Port.

The movement of cargo last year at the bi-state agency's marine terminals provided jobs for over 10,300 people earning \$57,423,000. An additional 663 were engaged in the extensive construction programs and earned an estimated \$5,300,000.

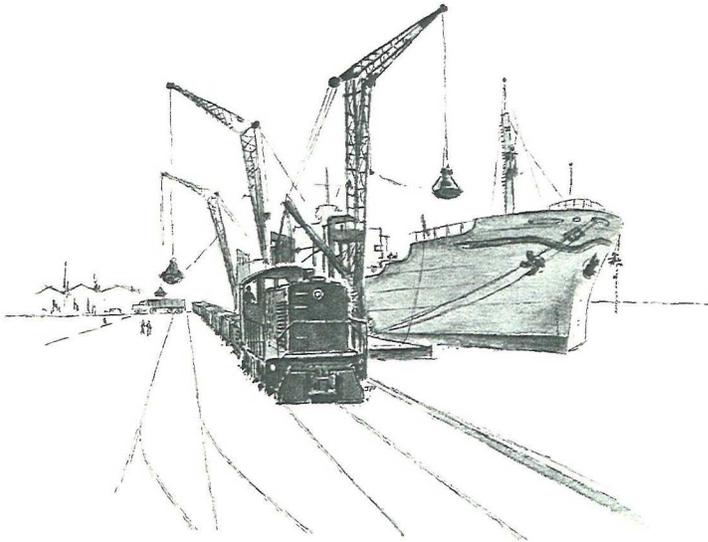
Port Newark

Port Newark, which celebrated its 50th Anniversary on October 20, continued to be the busiest of the Port Authority marine terminals. A total of 3,873,410 long tons of cargo moved through the seaport in 1965, a slight decrease from 1964. Of this volume, 2,900,343 tons were general cargo and 973,067 tons bulk liquids. Port Newark leads the nation in automobile imports and

Foreign made automobiles line cargo handling area at Port Newark, the nation's busiest import auto center. Approximately 121,000 foreign automobiles were handled at this giant seaport during the year.



the handling of imported frozen meats. It is also a leader in the movement of lumber, scrap metal exports and the handling of bulk salt. The seaport provided employment for 4,724 people, earning more than \$26,300,000. In addition, the construction activity at the facility increased Port Authority investment in the terminal to \$86,200,000 and provided an additional 137 jobs with a payroll of \$1,100,000.



A major development during 1965 was the completion of a 1,120,000 cubic-foot public cold storage warehouse. The Port Newark Refrigerated Warehouse was built by the Port Authority to help accommodate the growing volume of imported frozen foods in the port. It is equipped with the most modern refrigeration machinery and insulation materials. Soon after its opening on June 1, the building had the distinction of becoming the first modern cold storage warehouse on the Atlantic Coast to be designated an "Identification Service" facility by the United States Department of Agriculture. This designation eliminates the need for an additional inspection of imported meat by the Department of Agriculture at the consignee's plant.

Efficient and economical distribution of water-borne cargo calls for space located near the waterfront. To date, the Port Authority has provided 2,800,000 square feet of modern cargo distribution space at Port Newark. In 1965, two distribution buildings were completed on the north side of the channel, each with 104,000 square feet of covered space.

Major rehabilitation was planned for four of the more important buildings in the former Naval Reserve Industrial Shipyard, which was acquired by the Port Authority in 1963. Rehabilitation work was completed on three of the buildings during the year and work on the fourth will be completed in 1966.

The new railroad floatbridge completed in late 1964 providing direct rail access to both Port Newark and the Elizabeth-Port Authority Marine Terminal, enabled the delivery of 2,754 rail cars to the terminals in 1965.

Also completed during 1965 was a substantial addition to the Seamen's Church Institute's Recreation Center. The expanded facility, which serves more than 16,000 seamen calling at Port Newark every year, has a library, lounges, residence rooms, a television room, and office space in addition to a soccer field.

Elizabeth-Port Authority Marine Terminal

The 703-acre marine terminal with "the look of tomorrow" is being developed with facilities specifically planned to handle containerized cargo. The year 1965 saw this massive development program reach the halfway point with the authorization of the third of five phases in the construction of this new seaport.

The third phase of development, authorized in November, will provide five additional deep-sea vessel berths and over 65 acres of paved upland area. The first two berths will be completed by the end of 1967 and the other three by the end of 1968.

Early in the year work started on the erection of four dockside mobile gantry cranes. These powerful cranes, the first of which is in operation, are to be used by Sea-Land Service, Inc., the world's leading containership company. Sea-Land occupies virtually the entire 111-acre first phase of construction, including its five berths and 58 acres of paved upland. In October, the company occupied a sixth berth—the first to be completed in the second phase—and about 13 additional acres of supporting upland.

Construction of the 194-acre second phase progressed rapidly during the year. This phase includes five vessel berths, 60 acres of paved upland and 16 cargo distribution buildings, with more than 2,000,000 square feet of space. By year's end, one berth, the new Sea-Land berth,

was in operation and eight cargo distribution buildings, with a total of nearly 800,000 square feet, were completed and leased to firms whose tonnage is substantially water-borne. Two additional buildings, each with 104,000 square feet, are scheduled for completion in the spring of 1966. The last six structures will be completed in stages over the next four years.

The four distribution buildings completed during 1965 have insulated flat roofs and are easily and economically adaptable for cargo requiring controlled temperatures. The tenants in these buildings have taken advantage of this opportunity and both heated and cooled space has been provided for their needs. The next eight distribution buildings to be constructed in the second phase will be of the flat roof design.

It is estimated that 525 people earning about \$4,200,000 a year were employed on construction work alone at the new facility.

Brooklyn-Port Authority Marine Terminal

The Brooklyn waterfront between the Brooklyn Bridge and Atlantic Basin is now the terminus for shipping lines serving ports on every continent in the world. Vessels of the Costa and Cosmopolitan Lines, operating from new Pier 5, are the latest additions to the services of 25 lines offered at the 2½-mile long Brooklyn-Port Authority Marine Terminal.

Twelve new, wide, single-story, fire-resistant and fire protected piers have been completed at an investment of over \$94,000,000. Only nine years ago, when the Port Authority started this vast redevelopment program, the waterfront was cluttered with 25 narrow and obsolete piers with an average of 34,100 square feet of shed space per berth. Today, each of the new piers provides 90,000 square feet of shed space per berth.

In 1965, this modern efficient marine terminal handled 1,922,329 long tons of cargo, a 1.0 percent rise over 1964 and provided jobs for 2,783 people who earned \$15,473,000.

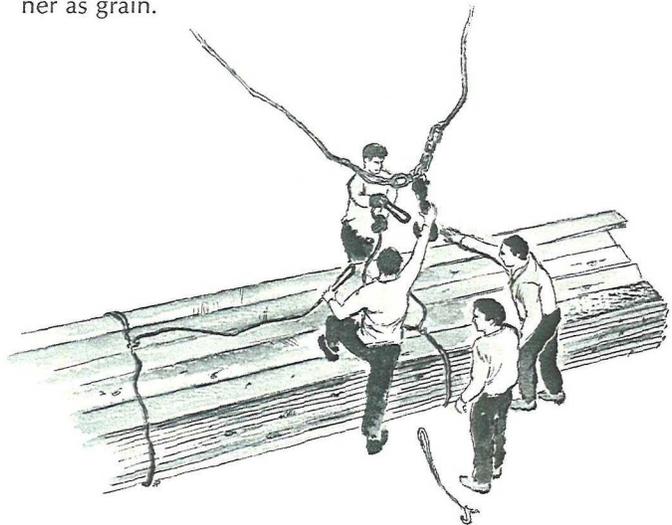
Hoboken-Port Authority Marine Terminal

The Hoboken-Port Authority Marine Terminal, leased to American Export Isbrandtsen Lines, Inc., is one of the most active facilities in the harbor. During the year, 290 vessels berthed at

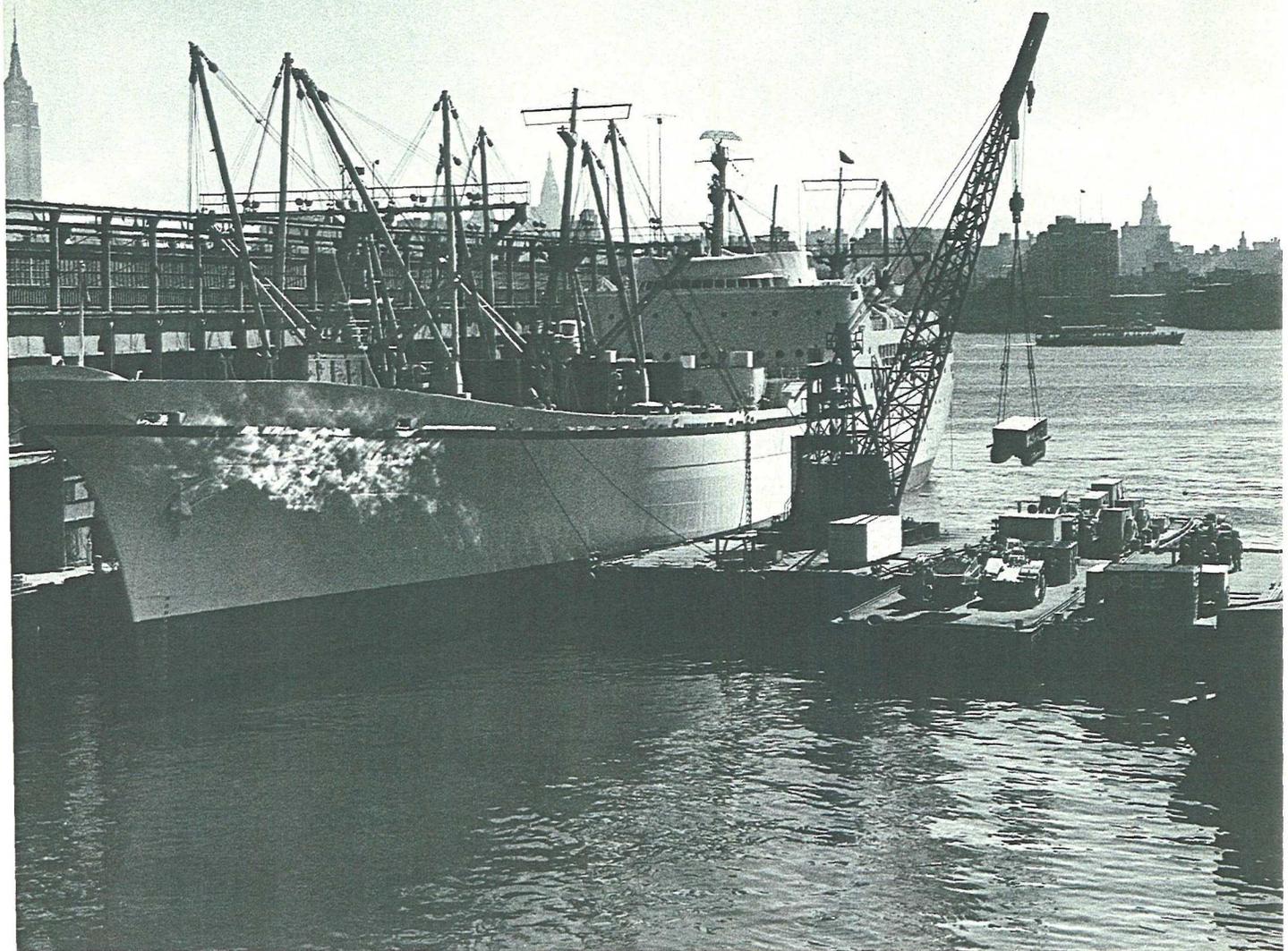
the terminal, the main operating base for the company's worldwide services. One of the vessels was the *N/S Savannah*, the world's first atomic-powered merchant ship, which began commercial service from the Hoboken Terminal in September. 630 people worked at the facility in 1965; they earned \$3,479,000. The Port Authority has invested more than \$18,000,000 in developing its Hoboken Marine Terminal. This modern facility comprises two new piers, one rehabilitated pier, a modernized headhouse, and upland area.

Port Authority Grain Terminal and Columbia Street Pier

In September the Port Authority Grain Terminal was deactivated and the Port of New York went out of the grain business. During its 21 years of operation the terminal handled almost 100,000,000 bushels of grain. By 1965, the labor costs imposed by the grain handlers union were so excessive that it became impossible to compete with other ports for the movement of this commodity. The last two floating grain elevators in the harbor were sold by the Port Authority earlier in the year. The "mothballed" Grain Terminal can be reactivated if another commodity can be located that is handled in a similar manner as grain.



At the Columbia Street Pier, 124,083 long tons of freight were handled during 1965, a 29.8 percent increase over 1964. The five-acre lumber terminal at this facility handled 56,466,667 board feet, or 75,625 long tons.



Among the 290 vessels docking at the Hoboken-Port Authority Marine Terminal in 1965 was the country's first nuclear powered merchant ship, the N.S. SAVANNAH, which began commercial operations from the Hoboken Terminal in September.

Erie Basin-Port Authority Marine Terminal

Heavy-lift cargo and container traffic are bywords at this historic but modern facility. In 1965, 500 vessels berthed at the facility and 639,271 long tons of general cargo moved across its piers. This tonnage created 983 jobs with an income of \$5,485,000.

Improvements made during the year include replacement of a portion of the Columbia Street bulkhead and repairs to the fender system and cribbing at one of the piers.

Tunnels and Bridges

During 1965, the six Port Authority Tunnels and Bridges served 123,960,100 vehicles, an increase of 7.1 percent over 1964. Much of the new traffic generated during 1965 was concentrated at our Staten Island Crossings and especially at the Goethals Bridge. Together, the three Staten Island Bridges had an increase of 5,803,900 or 52.3 percent for the year over 1964, and the Goethals Bridge had an extraordinary 99.9 percent rise. This above average rate of growth reflects the traffic generated during the first year of operation of the Triborough Bridge and Tunnel Authority's new Verrazano-Narrows Bridge, the final major link in the southern highway bypass system around Manhattan, which utilizes the Port Authority's recently improved Staten Island-New Jersey bridge system. Early in the year motorists began to take advantage of the savings in time and distance in traveling between or through New Jersey and Brooklyn via the Goethals Bridge, or Outerbridge Crossing and the Narrows Bridge.

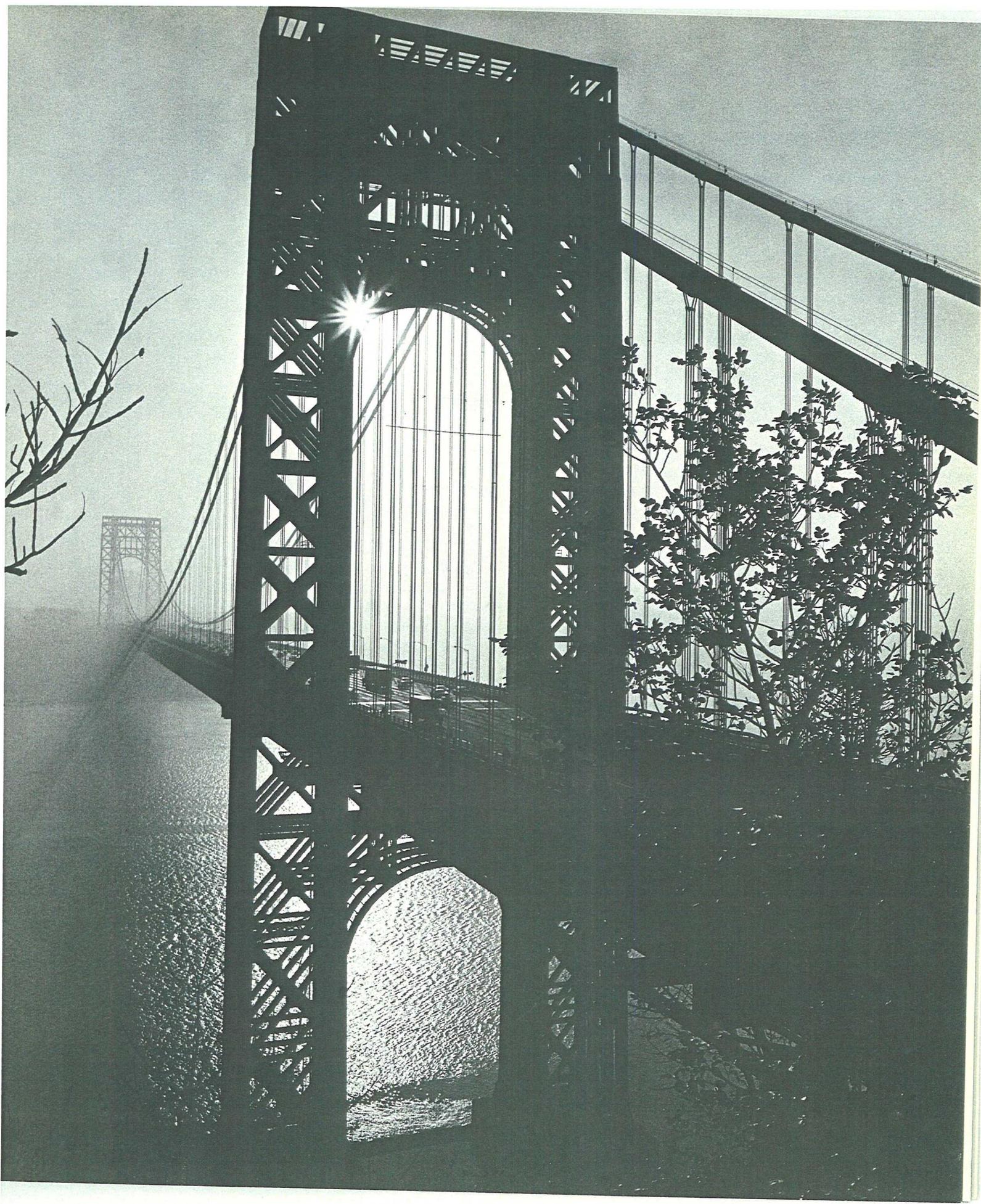
The acceptance and rapidly growing use of this southern highway bypass system around Manhattan as well as the increasing use of the northern bypass system over the George Washington Bridge is a tribute to the foresighted planning of the Port Authority and the Triborough Bridge and Tunnel Authority which, ten years ago, recommended a Metropolitan Area Highway Bypass System which would circumvent the congested central business districts of the region.

It is estimated that 3,850,000 vehicles diverted from the Port Authority Hudson River tunnels to the Staten Island crossings to take advantage of the time and distance saving via the Narrows Bridge. As a consequence, traffic at the Holland Tunnel declined 8.0 percent from 1964. The Lincoln Tunnel traffic also was affected by the Narrows Bridge, but the effect there was partly offset by the great improvement made in the New Jersey approaches to that facility in 1963 and 1964. The net result was a decrease of 1.0 percent at that tunnel for the year.

In sharp contrast to the drop in traffic at the Hudson River tunnels, there was an increase of 4,518,500 vehicles, or 8.6 percent, at the George Washington Bridge, raising that facility's volume to 56,927,500. However, the heavy additional traffic over this major link in the northern route of the new metropolitan area bypass system was absorbed with ease by the 14 lanes of the bridge and the expanded approaches in New Jersey and New York.

The rise in volume at the George Washington Bridge is partly due to the opening last year

Crossings		
(Traffic in thousands)		
	1965	1964
All Crossings		
Automobiles	104,539	97,140
Buses	3,848	3,710
Trucks	15,573	14,849
Total Vehicles	123,960	115,699
George Washington Bridge		
Automobiles	51,248	47,309
Buses	698	699
Trucks	4,982	4,401
Total Vehicles	56,928	52,409
Lincoln Tunnel		
Automobiles	23,291	23,512
Buses	2,938	2,853
Trucks	3,815	3,986
Total Vehicles	30,044	30,351
Holland Tunnel		
Automobiles	14,904	16,314
Buses	104	113
Trucks	5,089	5,424
Total Vehicles	20,097	21,851
Staten Island Bridges		
Automobiles	15,096	10,005
Buses	108	45
Trucks	1,687	1,038
Total Vehicles	16,891	11,088

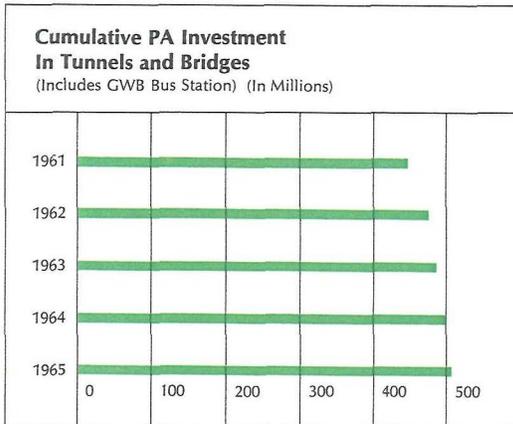


of the Bergen-Passaic Expressway, now linking the Bridge with Paterson, New Jersey. This new 10-lane route has already effectively reduced congestion on its neighboring highways, especially New Jersey Routes 4 and 46.

A more fundamental source of the sharply rising volume at that bridge is the growth and changing location of homes and jobs in the New York-Northern New Jersey region. These changes have been clearly reflected in a steady growth rate of traffic using reduced rate tickets at that bridge for the past few years.

In addition, the George Washington Bridge, along with other vehicular facilities, again benefitted from the extraordinarily good weather in 1965 and a high level of business activity.

The 123,960,100 vehicles served by the six Port Authority tunnels and bridges marked the fourth successive year of unusually high annual increments. These high volumes at the six crossings together generated a gross revenue of \$64,300,000 for the year, up \$4,300,000 from 1964. At the same time, Port Authority investment in the facilities continued to grow, reaching \$506,900,000 at years end.



The Staten Island Bridges

Construction activity at the Staten Island bridges continued on schedule during the year. At the Goethals Bridge, a twelve-lane plaza with direct connections to the new Staten Island Expressway and a new Administration Building on the plaza were completed in May. The building serves as maintenance and administrative headquarters for the Bayonne, Outerbridge and



Much of the new traffic generated at the six Port Authority crossings was recorded at the three Staten Island Bridges and especially at the Goethals Bridge, (above) which experienced an exceptional 99.9 per cent rise over 1964.

Goethals Bridges. A new six-lane plaza at the Bayonne Bridge which provides direct connections with the Willowbrook Expressway also was completed during the year.

Under an agreement with the New Jersey State Highway Department and the New Jersey Turnpike Authority, construction began on a new interchange to provide direct connections between the Goethals Bridge, Interstate Route 278, the New Jersey Turnpike, Elizabeth municipal streets, and future New Jersey Route 81, all of which are part of the new southern bypass. In addition to participation in the interchange complex, construction was started by the Port Authority on a new Goethals Bridge eastbound viaduct parallel to the existing viaduct, which also is being widened and improved. This improvement will accommodate the realignment of the New Jersey Turnpike and provide a direct connection with the interchange for all bridge traffic.

Plans have been completed for a new plaza on the New York side of the Outerbridge Crossing to connect with new expressways and parkways on Staten Island by the State of New York. The plaza project will include construction of a new building to provide space for facility personnel.

Planning also is in progress for linking the Outerbridge Crossing with the new Route 440, to be constructed by the New Jersey State Highway Department, which will connect directly with Interstate 287 and the New Jersey Turnpike. The highway will pass through Perth Amboy and Woodbridge making connection with Route 35 and the Garden State Parkway before reaching the Turnpike.

Major roadway repair and resurfacing at the Bayonne and Goethals Bridge during the year completed the long range rehabilitation programs at these facilities. Similar work at the Outerbridge Crossing will be completed in 1966, culminating the five-year major rehabilitation program of the Staten Island bridges.

Tunnel Traffic Control System

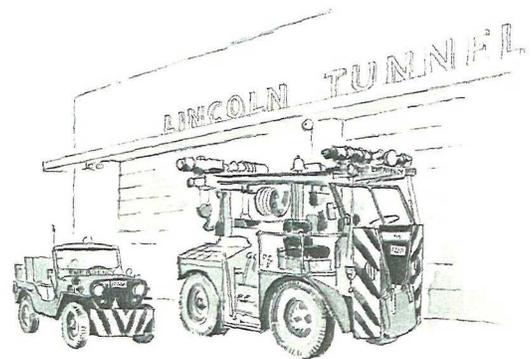
Closed circuit television to help expedite traffic flow in the New York-bound (south) tube of the Lincoln Tunnel began full operation in September 1965 as part of a new \$420,000 traffic control system that also uses automatic devices to measure vehicle flow, and radio-equipped catwalk cars to provide for more rapid detection and clearance of disabled vehicles.

The closed circuit television system consists of nine television cameras, each equipped with mirrors, permitting views to be taken of traffic on either side of the camera. Traffic conditions

Automatic devices imbedded in the roadway, closed circuit television cameras and radio equipped catwalk cars all connected to a central control desk, form an experimental system in the Lincoln Tunnel to provide for more rapid detection and clearance of congestion.

throughout the tube thus can be observed on nine split-image television screens in the traffic control center in the Lincoln Tunnel Administration Building in Weehawken. Additional banks of nine screens each are visible to police officers stationed in two catwalk booths inside the tube.

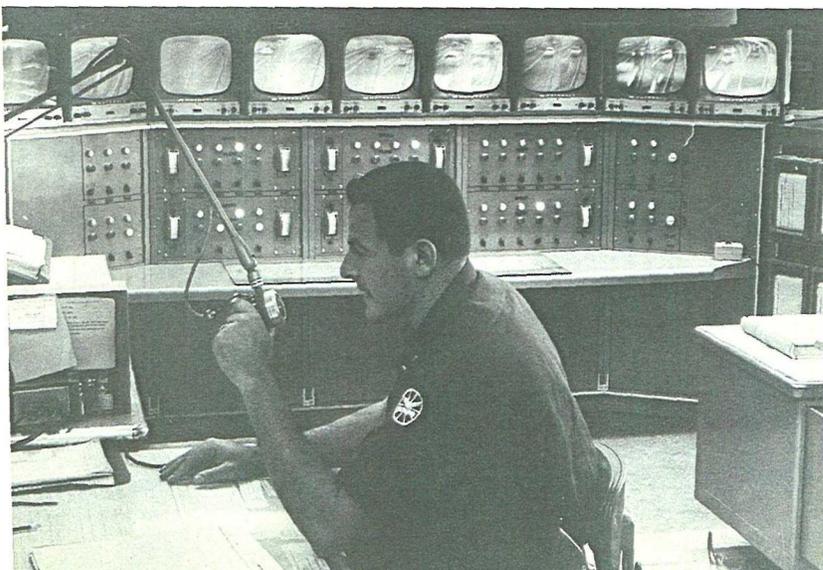
Immediately adjacent to the television monitors are surveillance system consoles which register speed and flow alarms in each of six tunnel zones. Photoelectric vehicle detectors installed under the roadway at 18 points in each lane provide information to these consoles on traffic speed and spacing. A "low speed alarm" alerts the officer to a potential stoppage and a "low flow alarm" indicates a probable stoppage.



After receiving an alarm, the officers in the tunnel and at the control center can determine the cause of the alarm by looking at the television monitor covering the zone where the alarm originated. As part of the traffic control system, the Port Authority has extended the police radio system inside the south tube, thereby providing for instantaneous communication between the men on the catwalk and other key posts.

In addition, four single-wheeled, gasoline-powered catwalk cars, each radio-equipped, began operation in the tunnel. The catwalk car is not used for patrolling the tunnel, but enables a police officer to reach a stalled vehicle quickly. New catwalk car shelters, installed on the catwalks, replace the former police booths.

After operating experience is gained in the 8,000-foot-long Lincoln Tunnel south tube, the system is expected to be installed in the other two tubes of the Tunnel and in both tubes of the Holland Tunnel.



Terminals

The Port Authority Bus Terminal and the George Washington Bridge Bus Station experienced substantial activity during 1965 due to the continued growth of commuter and general inter-city bus travel.

Located in the heart of midtown Manhattan, the Bus Terminal satisfied the needs of 68,500,000 patrons ranging from daily commuters to transcontinental travelers. Over 2,520,000 buses arrived at and departed from the Terminal for a 4.2 percent rise over the previous year's record and a 60 percent increase over 1951, the facility's first full year of operation. The Bus Station, which is part of the George Washington Bridge and operated by the Terminals Department for the Tunnels and Bridges Department, recorded 456,000 bus movements, bringing nearly 12,000,000 patrons through the facility, a 1.0 percent increase over the previous year. The Station's patrons are primarily commuters but interspersed among them are some pleasure and business travelers and a growing number of long distance passengers.

The Port Authority Building was virtually completely occupied throughout 1965. During the year one of its oldest and largest operating tenants, the Railway Express Agency, expanded its operation to include most of the first floor freight platform. The Railway Express Agency commenced its new operation on November 1 after having installed the very latest in materials handling equipment and conveyors.

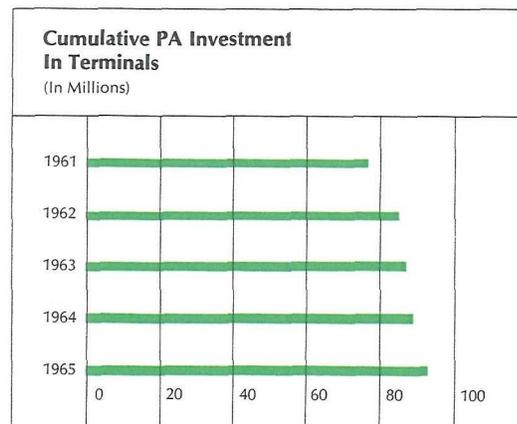
Activity, during 1965, at the New York Union Motor Truck Terminal and the Newark Union Motor Truck Terminal continued at substantially the same level in spite of the loss of one of the New York Terminal's long-term tenants prior to the last quarter of 1965.

In 1965 the Terminals Department facilities produced gross revenues of \$13,395,000. The facilities provided employment for some 8,500 persons who earned salaries estimated at \$45,000,000. Total investment in the Terminals Department facilities as of the end of 1965 exceeded \$93,100,000.

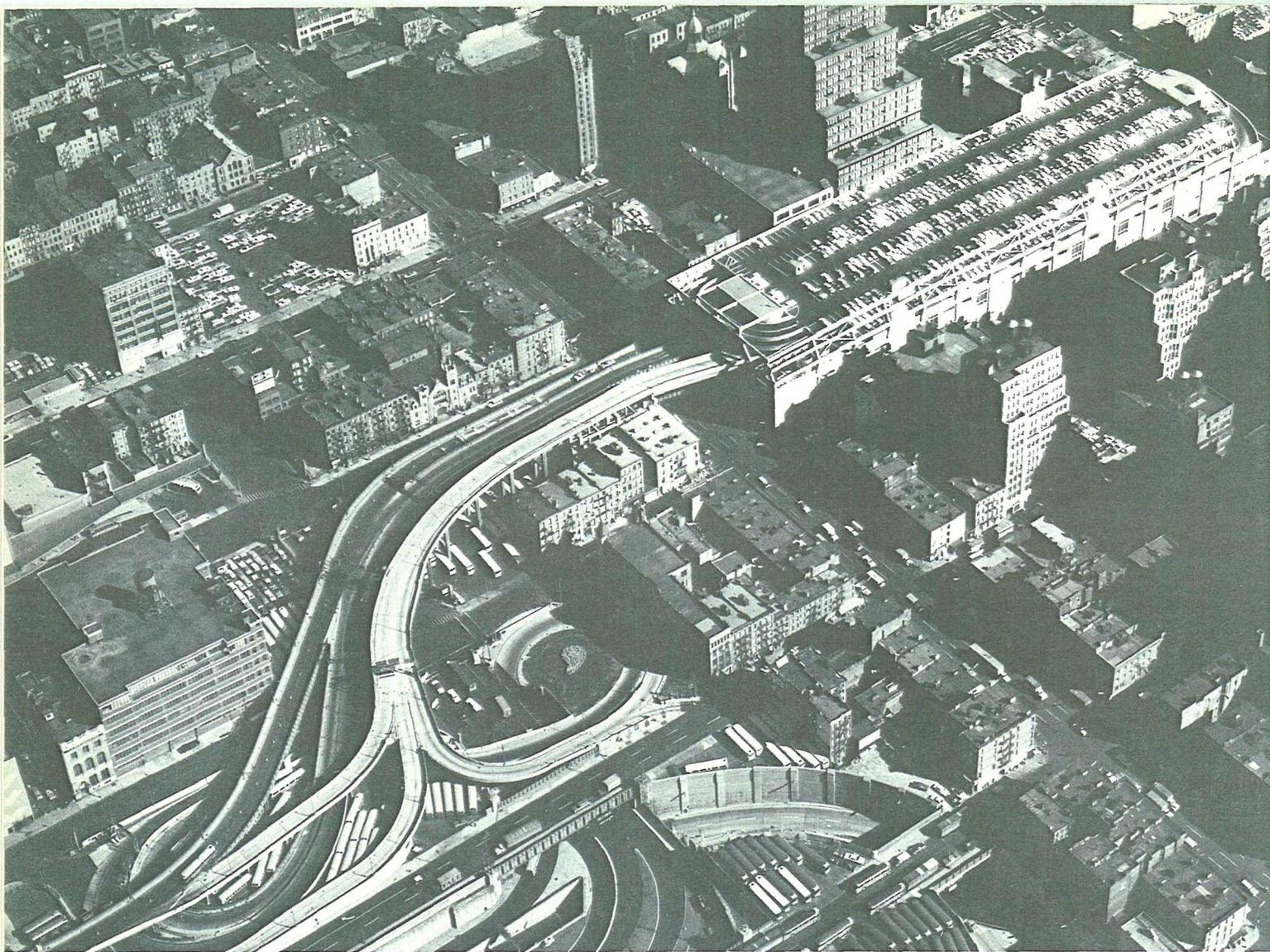
Port Authority Bus Terminal

The year saw further growth in both suburban and long distance travel at the midtown Terminal. A total of 1,260,000 bus departures were recorded, showing a 4.2 percent increase over last year's total.

The steady expansion of the bus travel market was reflected in added scheduled departures for many local and inter-city carriers and in the tremendous volume of travelers using the Terminal on holiday weekends. Traffic in 1965 was augmented by the start of a new service by Domenico Bus Service, Inc. to areas in Staten Island. An additional contribution to the year's activity was the travel inspired by the World's







Nestled in the heart of midtown Manhattan, the Port Authority Bus Terminal served 68,500,000 patrons ranging from daily commuters to transcontinental travelers.

Fair. The traffic volume, when compared to the previous year's record, did not show a sharp increase, but reflected a leveling-off since the Fair was in its second year; its closing will be reflected in next year's activity levels.

Information Services

With bus patronage on the rise, an appraisal of the various information services at the Terminal was made. Information signs throughout the Terminal, the Telephone Information Center, the Public Address System, the Main Concourse Lobby Information Booth, and internal "house" telephones which connect with the Telephone Information Center were studied. Survey teams

interviewed hundreds of patrons to determine whether the information services received satisfied their needs. As part of this effort, time-sequence cameras were employed to measure the levels of activity and service at the Main Concourse Information Booth.

Some of the immediate results of this study were the simplification and consolidation of signs bearing directions and schedule data. Directional signs and printed information slips distributed at the Lobby Information Booth were color coded to correspond to various key colors identified with different Terminal departure locations. In addition, large colorful floor plans of the Terminal have been constructed

and placed in prominent areas, and yellow information telephones have been placed in appropriate locations.

As part of this information service improvement program, the reference materials for the information agents in the Telephone Center were streamlined to provide better ready reference, and various equipment improvements have been instituted to speed the handling of information requests. These measures, though behind the scenes, add considerably to the service rendered the public.

Bus Terminal Expansion

The Port Authority has stated upon a number of occasions that the growing demand for bus transportation in this area will require an expansion of the Port Authority Bus Terminal.

The additional facilities required could be provided on the west side of Eighth Avenue between 41st and 42nd Streets. A large portion of this property, including the entire Eighth Avenue frontage, was acquired by the Port Authority early in the year. Planning for the Bus Terminal Annex, which would be connected directly to the existing Terminal, is in the preliminary stages.

General Activities

No aspect of operating the Terminal has received more attention in recent years than that of ventilation. At a cost of \$1,500,000 the ventilation and air conditioning system was entirely revamped in 1963 with the installation of a combination of exhaust fans and fresh-air-fed platform enclosures which vastly improved the comfort of Terminal patrons. To evaluate the continuing effectiveness of this system, extensive research and chemical tests were carried out during 1965 by the Port Authority staff. All components of the Terminal's ventilation system both for platforms and roadways were inspected to assure that the platform and roadway ventilation systems were operating at optimum levels and were providing patrons maximum protection from bus exhaust fumes.

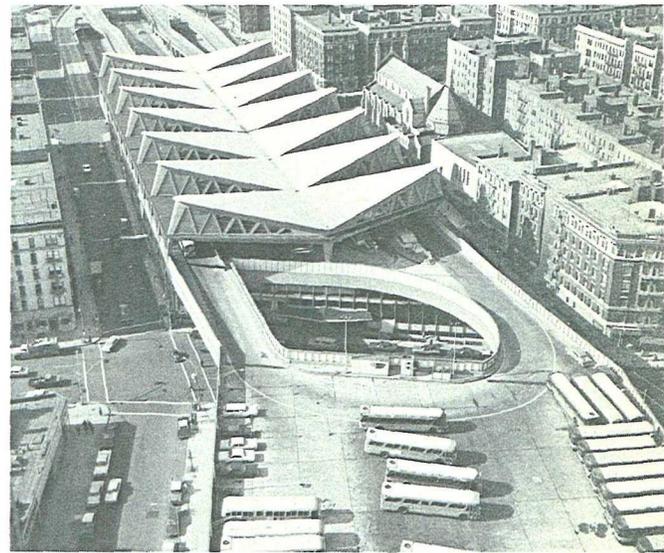
George Washington Bridge Bus Station

A promotional campaign to attract the attention of potential long distance bus travelers to the services offered at the uptown Station was

effected in 1965. Many eastern seaboard cities such as Washington and Boston, in addition to the suburban communities, may be reached by direct highway connections which by-pass the midtown area.

A number of carriers operating similar routes at both the midtown Terminal and the Bus Station cooperated in this effort by suggesting that commuters use the alternate service available at the uptown Station.

Reflecting, at least in part, the effectiveness of this campaign, long distance activity rose



At year's end nearly 12,000,000 bus passengers had made use of the George Washington Bridge Bus Station and its direct connection with New York City's Independent Subway system.



steadily through a good part of the year. At the close of 1965, long distance activity had risen more than 14.4 percent over 1964 with a total of almost 38,000 bus movements which served some 600,000 passengers.

The bulk of the Station's activity, however, is still suburban service, accounting for almost 210,000 departures. On a typical weekday, almost 40,000 bus travelers, predominantly commuters, use this facility.

As in 1964, special bus operations at the Station attracted substantial patronage. Specifically, Jones Beach, race track, and World's Fair services carried over 145,000 patrons.



Newcomers to the Bus Station were Carey Transportation, Inc. and W.C.B. Transportation Corp., both starting operations in late October. Carey Transportation links the Station with Kennedy International and LaGuardia Airports. W.C.B. Transportation provides service to points in Westchester and Queens Counties.

Port Authority Building and Truck Terminals

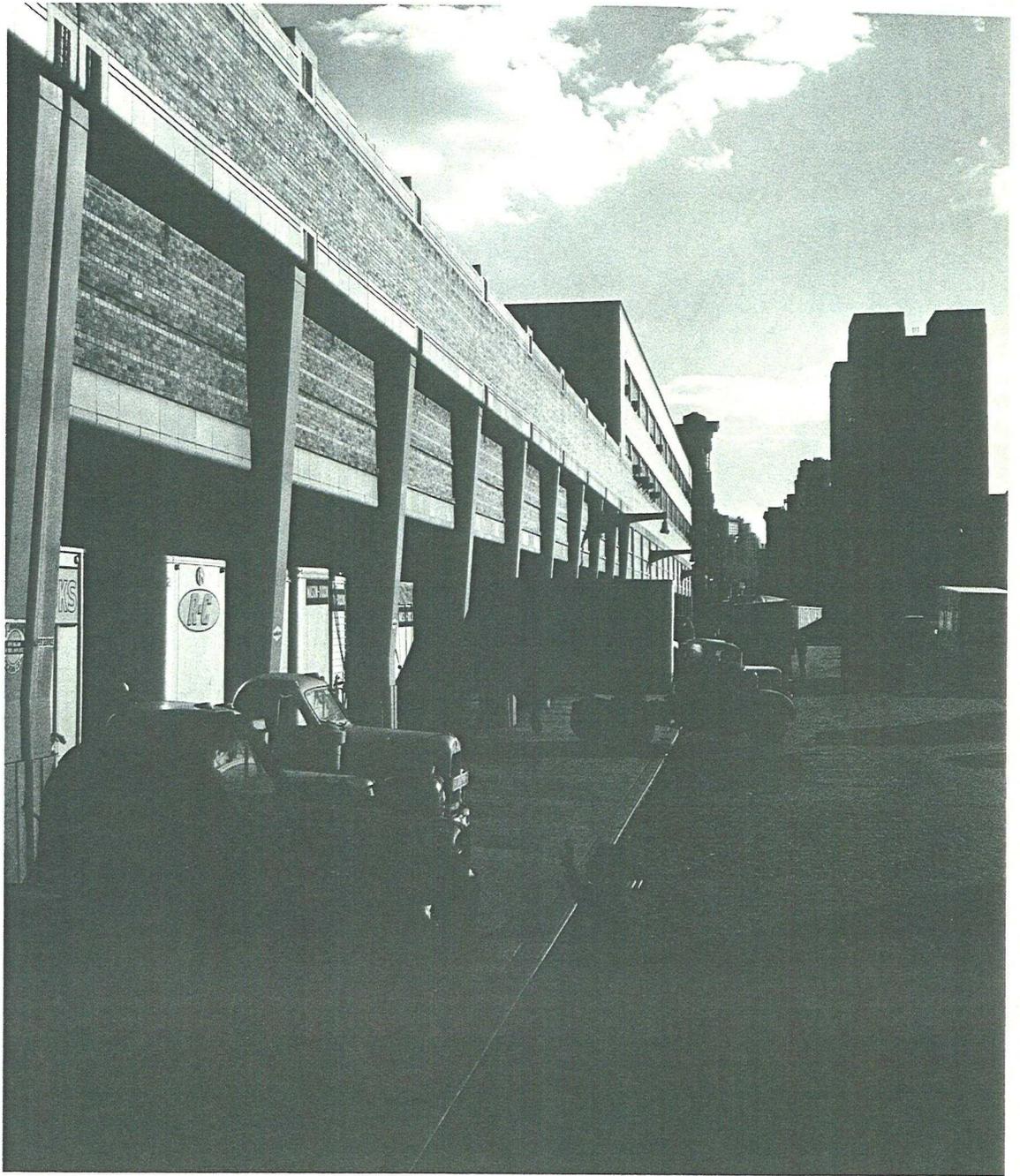
The Port Authority Building, which houses the main administrative offices of the Port Authority, also provides 192 off-street truck berths for the consolidation and distribution of common-carrier freight for the metropolitan area. This

building provides space for trucking operations, offices and some light industrial firms.

One of the largest and oldest tenants of the building, Railway Express Agency, Inc., which had formerly leased the basement only, commenced operations in 80 truck berths and the adjacent platform on the first floor. This addition of new space added 94,000 square feet to REA's original 74,195 square feet representing a major portion of the building's basement area. REA completely refurbished its new premises and installed an extensive, modern automatic conveyor system coupled with two electronic sorting devices to facilitate the distribution of freight destined for locations throughout the country. This new center is designed as an out-bound distribution point for freight which is picked up in Manhattan and consolidated for delivery through the facilities of the major railroads and over-the-road truck lines. The basement will continue to function independently of the first floor for the delivery of freight.

The Terminals Department manages two other major motor freight centers in the metropolitan area. The New York Motor Truck Terminal affords berthing docks for 142 trailer trucks in downtown Manhattan, while the Newark Motor Truck Terminal, on U.S. Route 1, provides 160 berths. These facilities are designed as freight consolidation and transfer points serving communities in the Port District as well as cities in various states. Near the close of the third quarter of 1965, the Empire State Truck Terminal Company, Inc., vacated its space at the New York Terminal. By the close of the year, however, a large portion of the vacated area had been rented on an individual lease basis.

The Newark facility showed substantial activity because of the operations of Associated Transport, Inc., its major tenant. The carrier handled a daily average of about 115 short haul (city) units and some 110 over-the-road (long-distance) units, and totalled an outbound volume of nearly 305,700,000 pounds for the year.



With its 142 berthing docks the New York Motor Truck Terminal facilitates the consolidation and transferal of freight throughout the Port District and nearby states.

Administration and Staff

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

The Authority consists of twelve commissioners, six appointed by the Governor of New Jersey and six by the Governor of New York. Members of the Board of Commissioners are leaders in business, finance, law and civic affairs and are appointed to serve without pay for overlapping terms of six years.

At the Annual Meeting of the Board in April, 1965 S. Sloan Colt of New York City was re-elected by his fellow Commissioners to his seventh term as Chairman of the Port Authority. At the same time, Howard S. Cullman, also of New York, was re-elected as Honorary Chairman. This was Mr. Cullman's thirty-ninth year as a member of the Board of Commissioners. James C. Kellogg III of Elizabeth, New Jersey was re-elected to his sixth term as Vice-Chairman.

Appointed to the Board in 1946 by former Governor Thomas E. Dewey, Mr. Colt was elected Chairman in 1959 after having served as Chairman of the Finance Committee. He is a member of the Advisory Committee of Bankers Trust Company, and is active in civic, cultural, education and philanthropic organizations.

Howard S. Cullman was appointed a Commissioner in 1927 by the late Governor Alfred E. Smith. He served as Vice-Chairman from 1934 to 1944, as Chairman from 1945 to 1955, and was elected Honorary Chairman in 1955. He is President of Cullman Bros., Inc., and Chairman of the Board of the Chanin Building. Active in many other business, community and charitable affairs, as well as the theatre, he is also President of Beekman-Downtown Hospital.

James C. Kellogg III was appointed to the Board ten years ago by former New Jersey Governor Robert B. Meyner. He is a senior partner of the investment brokerage firm of Spear, Leeds and Kellogg, a governor of the Associa-



tion of Stock Exchange Firms, and former Chairman of the Board of Governors of the New York Stock Exchange. Mr. Kellogg is president of the J. C. Kellogg Foundation, and a Trustee of the New Jersey Organization for a Better State.

On March 23, 1965, Governor Richard J. Hughes named Gerard F. Brill of Jersey City to the Board of Commissioners to serve the unexpired term of Commissioner Robert F. McAlevy, who was appointed a judge of the New Jersey State Superior Court. Mr. Brill is Senior Vice-President of The Trust Company of New Jersey and is active in banking, community and philanthropic affairs.



The Board of Commissioners is organized into four permanent committees. They are: Committee on Construction, Joseph A. Martino, Chairman and W. Paul Stillman, Vice-Chairman; Committee on Finance, James C. Kellogg III, Chairman, and Bayard F. Pope, Vice-Chairman; Committee on Operations, Howard S. Cullman, Chairman and John J. Clancy, Vice-Chairman; Committee on Port Planning, Donald V. Lowe, Chairman, and Alexander Halpern, Vice-Chairman. The committees originate and review policies and programs related to their specific functions, and either take action themselves or recommend appropriate action to the Board.

Executive Director Austin J. Tobin, seated in center at right, addresses a meeting of the Port Authority Board of Commissioners. Members of the Board (in semi circle from left foreground) are: Ben Regan, W. Paul Stillman, Joseph A. Martino, John J. Clancy, Honorary Chairman Howard S. Cullman, Vice Chairman James C. Kellogg III, Chairman S. Sloan Colt, Donald V. Lowe, Bayard F. Pope, Charles W. Engelhard, Alexander Halpern and Gerard F. Brill. Seated with Mr. Tobin are Deputy Executive Director Matthias E. Lukens (right) and General Counsel Sidney Goldstein (left).

Upper Right: Port Authority Chairman, S. Sloan Colt addressed the members of the New York State Legislature prior to their annual harbor inspection.

Center: Commissioner Donald Lowe and Executive Director Austin Tobin join in the presentation to Bremen's Mayor Dehnkamp of a replica of the historic painting showing the triumphal arrival of the steamer Washington at Bremerhaven in June, 1847.

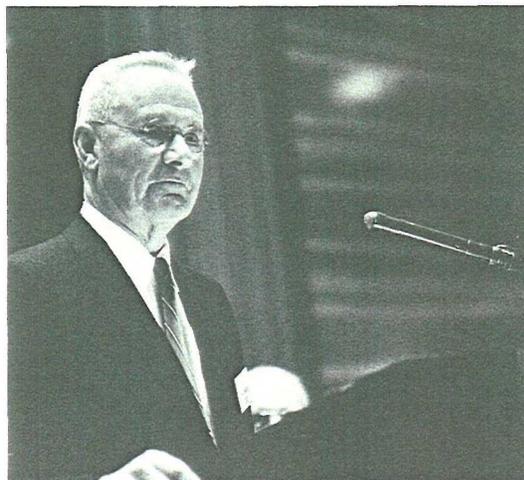
Lower Right: Honorary Chairman Howard S. Cullman (seated) and Consul General of Belgium A. Forthomme watch intently as Carlos Van Bellingham, Minister Plenipotentiary of the Belgian Ministry of Foreign Affairs, signs lease agreement for space in World Trade Center.

Austin J. Tobin, Executive Director of The Port of New York Authority, effects and administers the programs and policies authorized by the Board. In 1965 Mr. Tobin was re-elected by the Board to this post for his twenty-third consecutive year. Assisting Mr. Tobin in carrying out the Board's policies is Deputy Executive Director Matthias E. Lukens.

The Port Authority is represented in all legal matters by the General Counsel Sidney Goldstein. The General Counsel is legal advisor to the Board of Commissioners, the Executive Director and the Staff. In 1965 Mr. Goldstein was re-elected to his post for his fourteenth consecutive year.

Joseph G. Carty is the Secretary of the Port Authority. He is responsible for the preparation and retention of the official minutes of the Board of Commissioners, as well as all other official documents.

The Port Authority is organized into line and staff departments reporting to the Executive Director. The line departments include: Aviation, Terminals, Marine Terminals, Tunnels and Bridges, Rail Transportation and World Trade. The Port Authority subsidiary, the Port Authority Trans-Hudson (PATH) Corporation, is the responsibility of the Rail Transportation Department. The staff departments include: Community Relations, Comptrollers, Engineering, Law, Medical, Operations Services, Organization and Procedures, Personnel, Planning and Development, Public Relations, Purchase and Administrative Services, Real Estate and Treasury.



The Staff

In September, 1965, Mr. Edward C. Gallas was appointed as the Port Authority's Director of Personnel. In this post, Mr. Gallas replaces John D. Foster who resigned to accept a top level position in industry. Mr. Gallas had served since 1958 as the Executive Officer of the Los Angeles Superior Court and, prior to that, as Managing Director of Research Associates in Hawaii.

The strength of the Port Authority depends, in great measure, on the skills, energy and motivation of all of its staff. In recognition of this, the Port Authority maintains personnel policies which assure fair and equitable treatment for its employees and which provide avenues for each individual to develop to his greatest potential.

In 1965, the work of the Port Authority was carried out by 7284 employees (including PATH), in diverse occupations ranging from soil chemist to bridge painter, architect to police officer. The total 1965 staff was 2.65 percent greater than 1964, a result of the increased levels of activity at Port Authority transportation facilities, and expanded port and trade development work. The Port Authority's merit system and its principle of promoting persons from within provided advancement opportunities for 909 employees through promotions.

Career Development

Each individual in the organization is in a position to choose his own career development goals and may apply for any position for which he is qualified. Promotion in all ranks of the organization is based solely on merit as determined by an individual's job performance and through competitive examination. To help the men and women of its staff develop the qualifications for advancement, the Port Authority maintains a broad range of training and development programs.

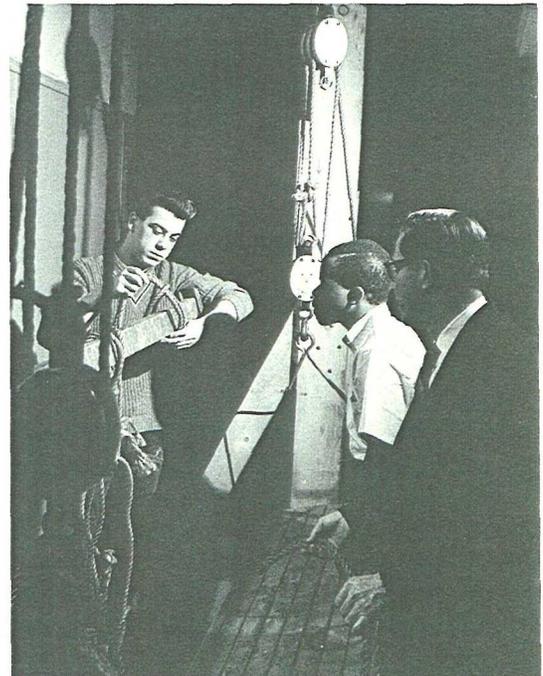
Education and Training

During 1965, 2460 staff members were enrolled in training courses in such areas as maintenance and clerical skills, supervision, and management

development. Employees are encouraged to continue their formal education in schools and colleges through the Education Refund Plan. This plan provides payment of tuition fees for employees who successfully complete courses relating to the work of the Port Authority. A total of 459 employees participated in this program during the year, many of whom were pursuing advanced study in masters, doctoral and legal programs.

During 1965 the Port Authority was called upon to assist in the establishment and operation of a maintenance skills training program for the City of New York. The City's Department of Labor is conducting the BEST program, Basic Essential Skills Training, as part of the national war on poverty. In May, 1965 recruitment began

The BEST program in action. The Port Authority participated in the War On Poverty through the BASIC ESSENTIAL SKILLS TRAINING Program in conjunction with the New York City Department of Labor.



for 6200 persons from the City's welfare rolls and unemployment lists. Under Port Authority leadership, these men and women are being given intensive classroom, workshop and field training in six basic fields of maintenance in which personnel shortages exist in the metropolitan area. Approximately 1300 graduates of the program have already been placed in jobs in which there has been a shortage of qualified personnel.



Personnel Research

Continuous research is a vital part of the Port Authority personnel program. Research activities are pursued in such areas as test development, training methodology, the use of the computer for personnel transactions, and manpower planning. An active effort is made to evaluate employee opinion through the use of attitude surveys.

Salary and Benefit Policies

Port Authority wage levels are maintained on a comparable level with those paid in the metropolitan area. Surveys of salary policies in the Port District are made each year, with the cooperation of leading companies, to compare the pay scales of various positions with those in other organizations.

During 1965, the Port Authority commenced an intensive study of the fringe benefits granted to its employees. The purpose of the study is to

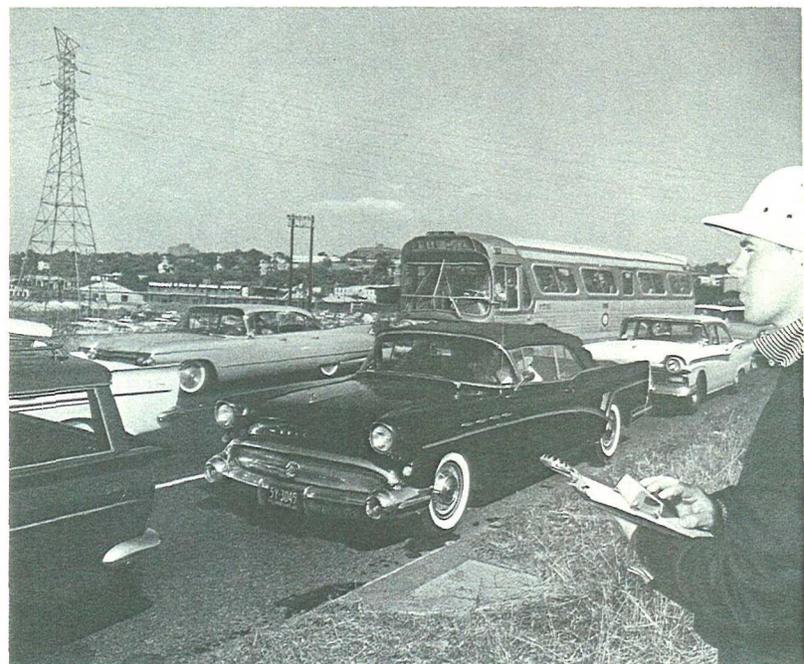
evaluate benefits in terms of their appropriateness, economic feasibility and consistency with a sound philosophy of employee relations.

Employee Relations

It is the policy of the Port Authority to maintain close liaison with organizations representing its maintenance, clerical and police staff. Although an employee may represent himself or designate another person or organization to speak on his behalf, there are three employee organizations representing large numbers of Port Authority employees (excluding PATH). These are the Port Authority Employees' Association, with a membership of approximately 1,800 maintenance employees; the Port Authority Associates, with a membership of approximately 800 clerical staff and the Police Benevolent Association which represents almost all of the Port Authority's 1,100 police officers.

At PATH, collective bargaining agreements were in effect with all twelve unions representing more than 1,000 employees of this rapid transit system (see PATH and Rail Transportation section).

Staff makes continuing origin and destination surveys of traffic using Port Authority facilities for use in its forecast of future traffic flow.





The Port Service Club gathers to welcome new members. The Club roster now numbers 541 active members whose total service of 18,038 years represents an average of 33 years.

The establishment and successful operation of a Federal Credit Union by the Port Authority Employees' Association is a good example of the sound relationship between the Port Authority and employee organizations. The Credit Union, which was established in 1964 with the cooperation of the Port Authority, is open to all staff. Currently, it has 1,970 members and total assets of \$623,000.

In the past year, approximately 100 Maintenance Supervisors established the Port Authority Maintenance Supervisors' Association. This group seeks to improve the effectiveness of maintenance management and is the second such organization of professional management staff in the Authority. The other is the Police Officers Association, made up of Police Sergeants, Lieutenants and Captains.

Communications

A basic aim of Port Authority management is to maintain a climate which encourages the communication of ideas and information up, down and across all levels of the organization.

This is to assure that each employee has all the information necessary to do his job effectively. This policy is fostered by encouraging easy communications between supervisors, subordinates and all other staff members and by the circulation of news and information on Port Authority policies, programs and activities through various internal publications. These include a monthly newspaper, a weekly management bulletin, booklets, pamphlets and special bulletins.

Employee Awards

Medal Award Ceremonies are held annually to recognize the outstanding accomplishments of staff members. On November 29, nineteen staff members were presented with medals for exemplary service.

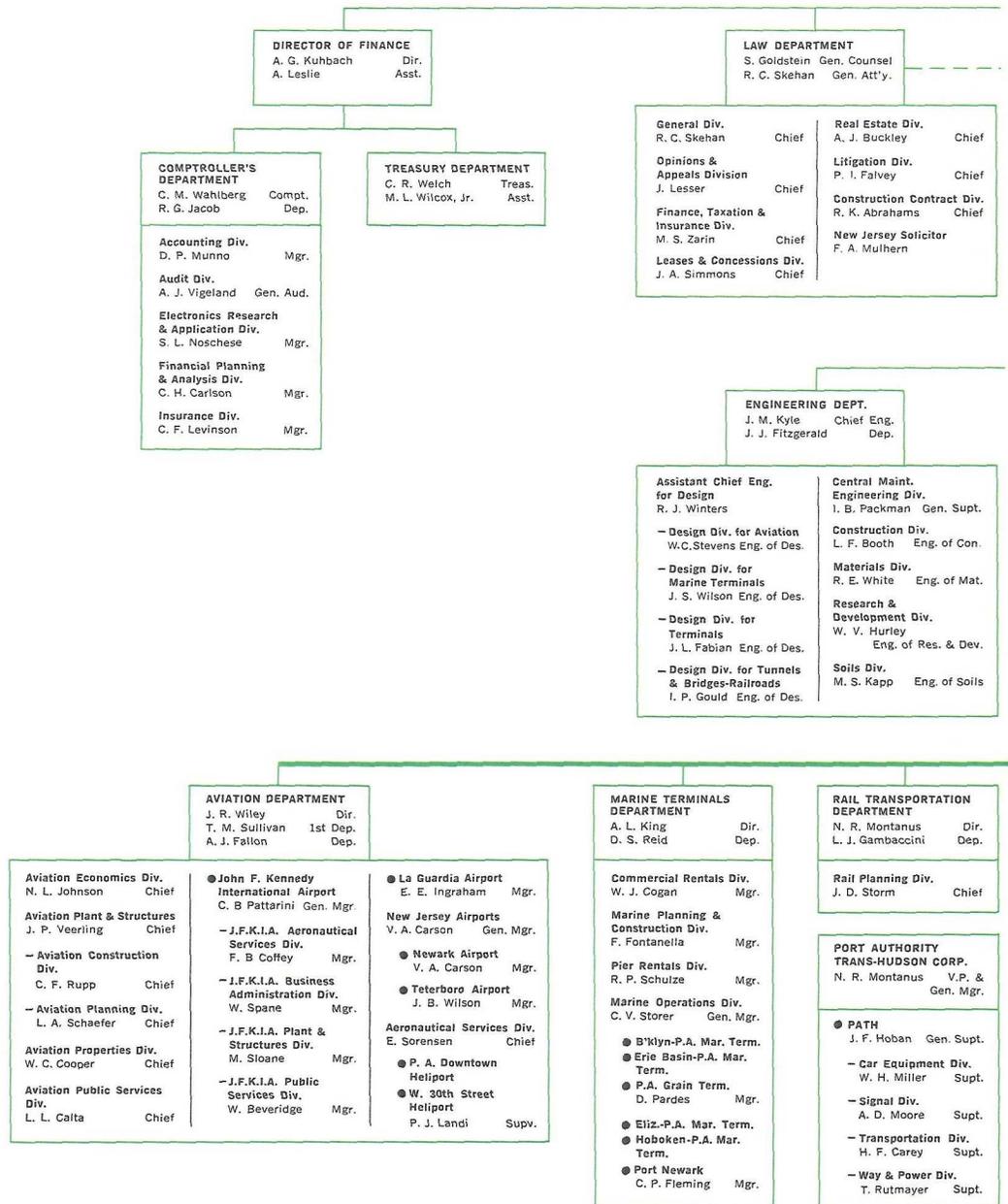
The Port Authority's highest award, the Medal of Honor, was presented to Police Officer Harold C. Myers for the extraordinary bravery he displayed in the face of mortal danger during an incident which occurred at Kennedy International Airport. Commendation Medals for acts of bravery also were presented to Police Officers Charles E. Baugh and Francis X. Coyle and to Frank J. Borbotti and James Cosidente. The Distinguished Service Medal was awarded to William F. Carter, Frank Herring, George Hoff, Edward G. Juengst, Walter McGough, Warren Quimby, Catherine Shea and Herbert S. Toney. In addition, the Executive Director's Award of Achievement was presented to Louis Achitoff, Charles Betts, George M. Holmberg, Jeanne Kenn, Girard L. Spencer Jr. and Mehmet Yontar.

The third Howard S. Cullman Fellowship was awarded during the year to Robert Unrath, Port Promotion Manager in the World Trade Department. The Cullman Fellowship was established in 1962, "to develop to the greatest extent the promise of unique qualifications and talent" of Port Authority employees. The grant was named for Honorary Chairman Howard S. Cullman.

Under the provisions of the grant, Mr. Unrath is pursuing an intensive program of technical study, practical work experience and orientation in the techniques and methods of production of non-theatrical motion pictures for use in various Port Authority activities. The experience Mr. Unrath will gain from his fellowship year will assure effective and professional motion picture productions in coming years.

The Port of New York Authority Organization Chart

December 31, 1965



BOARD OF COMMISSIONERS
 S. Sloan Colt, Chairman
 James C. Kellogg, III, Vice Chairman
 Howard S. Cullman, Honorary Chairman
 Gerard F. Brill
 John J. Clancy
 Charles W. Engelhard
 Alexander Halpern
 Donald V. Lowe
 Joseph A. Martino
 Bayard F. Pope
 Ben Regan
 W. Paul Stillman

OFFICE OF THE EXECUTIVE DIRECTOR
 A. J. Tobin Executive Director
 M. E. Lukens Deputy

J. G. Carty Secy. of the P.A.
 M.C. Porth Asst.
 A.G. Lorimer Chief Arch.

PUBLIC RELATIONS DEPARTMENT
 W. H. Goodman Act. Dir.

DIRECTOR OF ADMINISTRATION
 D. L. Kurshan

COMMUNITY RELATIONS DEPARTMENT
 R. J. Banahan Dir.

MEDICAL DEPARTMENT
 S. I. Kooperstein Dir.
 A. Schiffrin Dep.

ORGANIZATION & PROCEDURES DEPT.
 H. Sherman Dir.
 P. G. Stapleton Dep.

PERSONNEL DEPARTMENT
 E. C. Gallas Dir.
 W. E. McCarthy Dep.

Classification & Salary Div.
 E. G. Bradfield Mgr.

Communications Div.
 E. F. Beaumont Mgr.

Manpower Planning & Research Div.
 F. M. Lopez Mgr.

Personnel Development & Training Div.
 P. R. Kelly Mgr.

Personnel Relations Div.
 R. D. Borgeson Mgr.

Selection & Placement Div.
 R. F. Thornton Mgr.

PURCHASE & ADMIN. SERVICES DEPARTMENT
 G. W. Baker Dir.
 A. Z. Schneider Dep.

Food Services Div.
 B. J. Fischer Mgr.

Office Services Div.
 C. S. Gulotta Mgr.

Purchase & Stores Div.
 C. H. Reilly Mgr.

Special Services Div.
 D. H. Bagger Mgr.

Visual & Reproduction Services Div.
 E. W. Meyers Mgr.

OPERATIONS SERVICES DEPARTMENT
 D. N. Mandell Dir.
 P. L. Thomas Dep.

Central Automotive Div.
 E. Holmgren Chief

Inspection & Safety Div.
 V. W. Larkin Chief

Operations Standards Div.
 J. R. Shelton Chief

Police Div.
 W. A. O'Connor Supt.

Traffic Engineering Div.
 L. E. Bender Chief

PLANNING & DEVELOPMENT DEPT.
 R. H. Gilman Dir.
 H. B. Johnson Dep.

Deputy Director for Transportation Policy
 F. W. Herring

Central Planning Div.
 E. S. Olcott Chief

Central Research & Statistics Div.
 W. B. Lovejoy Chief

REAL ESTATE DEPARTMENT
 W. M. Schwarz Dir.

Acquisition & Property Management Div.
 S. Anton Mgr.

Commercial & Industrial Div.
 A. H. Britten Mgr.

Planning & Analysis Div.
 G. N. Melnette Mgr.

TERMINALS DEPARTMENT
 J. Rosen Dir.

Planning & Analysis Div.
 W. L. Giordano Chief

Properties Div.
 R. C. Meehan Chief

Operations Div.
 V. T. Strom Gen. Mgr.

- Bus Terminal
 A. Rubbert Mgr.
- George Washington Br. Bus Station*
 L. C. Webb Mgr.
- Port Authority Building
 J. M. Rommerdahl Mgr.
- Truck Terminal, N. J.
- Truck Terminal, N. Y.
 R. J. Walsh Mgr.

TUNNELS & BRIDGES DEPARTMENT
 C. H. Taylor Dir.
 J. D. Maynard Dep.

Project Engineering Div.
 H. A. Hazen Mgr.

Research Div.
 R. S. Foote Mgr.

Tunnel & Bridge Operations Div.
 A. P. Tate Gen. Mgr.

- George Washington Br.
 E. Black Mgr.
- Holland Tunnel
 L. J. Lewis Mgr.
- Lincoln Tunnel
 B. M. Mayer Mgr.
- Bayonne Bridge
- Coethels Bridge
- Duterbridge Crossing
 J. L. Storbzen Mgr.

WORLD TRADE DEPARTMENT
 G. F. Tozzoli Dir.
 R. C. Sullivan Dep.

DIRECTOR, WORLD TRADE CENTER
 R. C. Sullivan

Development & Rentals Div.
 L. E. Scriven Chief

Operations Planning Div.
 E. D. Mills Chief

Planning & Construction Div.
 M. P. Levy Chief

DIRECTOR, PORT COMMERCE
 C. B. O'Hara

Port Promotion Div.
 R. F. Unrath Mgr.

Traffic Management Div.
 D. W. Binns Mgr.

Trade Development Div.
 G. G. Gorman Gen. Mgr.

Trade Development Offices

U. S. Offices	Mgr.	Overseas Offices	Mgr.
Chicago	D. E. Howland	Caribbean (San Juan)	
Clev.	H. F. Lemmon		C. R. Arce
Eastern (New York)		Continental (Zurich)	
	G. Gundersen		H. C. Klingman
Pittsburgh	H. S. Weeks	London	A. G. Bralower
Washington		South American (Rio de Janeiro)	J. N. Marcal
	T. D. Tuomey		

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

Financial 1965



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—the land, sea and air terminals and transportation facilities essential to that development, 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 can 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 management practices, advanced engineering techniques and judicious planning are utilized to bring new projects to their anticipated point of self-support as soon as possible.

Adherence to these requirements and policies has resulted in a sound financial structure which has been recognized by individual investors and financial institutions throughout the United States. Over the years, as a result, a total of more than two billion dollars of Port of New York Authority bonds, have been purchased by investors.

Combined Operations in Brief

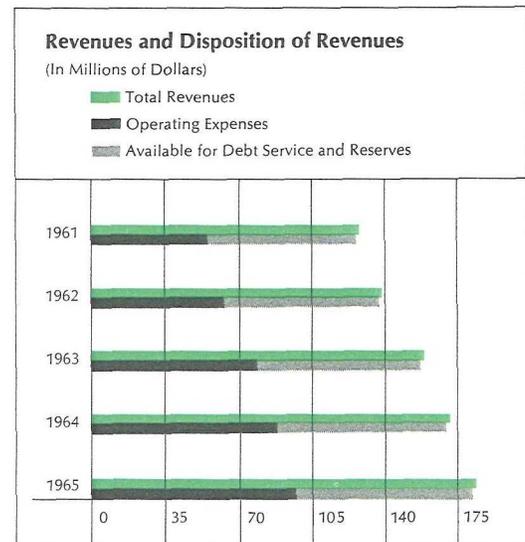
Gross operating revenues of The Port of New York Authority for the year 1965 increased 6.8 percent to \$178,629,000, which reflects the continuing increase in development and utilization of the Authority's facilities. At the same time, operating, administrative and development expenses increased about \$9,700,000 to reach \$98,900,000. As a result, net operating revenues were up about 2.1 percent to a total of \$79,728,000. This increase of \$1,649,000 is less than that experienced in recent years, due largely to certain nonrecurring expenses along with an increased rental payment to the City of New York pursuant to the lease, which has been extended eighteen years, under which the Port Authority operates John F. Kennedy International and LaGuardia Airports.

Investment income of \$5,552,000 on securities held in the reserve and operating funds was offset to a large extent by a downward adjustment of \$4,010,000 in the value of our security portfolio. Thus, net revenues available for debt service were \$81,271,000.

Interest and long-term debt amortization totaled \$42,632,000. In addition, \$31,500,000 short-term Consolidated Notes were retired at maturity, and bonds with a par value of \$3,811,000 were retired in anticipation of future years' debt service at an amortized cost of \$3,551,000.

Reserve funds were increased in the net amount of \$3,587,000 and totaled \$100,839,000 at year's end. Thus, they continue to meet the requirements of the applicable statutes of New Jersey and New York and of Port Authority bond resolutions, as well as the Port Authority policy of maintaining reserves equal to the next two years' debt service.

The Authority's financial affairs are administered by A. Gerdes Kuhbach, Director of Finance; Charles R. Welch, Treasurer; and Carl M. Wahlberg, Comptroller.



Highlights

	1965	1964
Gross Operating Revenues \$	178,600,000	167,200,000
Net Operating Revenues .	79,700,000	78,000,000
Debt Retired	56,600,000	56,300,000
Interest on Debt	21,200,000	20,200,000
Cumulative Invested in Facilities	1,503,700,000	1,402,700,000
Funded Debt Outstanding	855,900,000	806,100,000
General Reserve Fund . . .	85,500,000	80,600,000
Special Reserve Funds . . .	15,200,000	16,600,000

Financial Position at Year End

Highlights

On December 31, 1965, the total assets of the Authority were \$1,787,886,000, represented by the cumulative amount invested in facilities and construction, operating and reserve funds. This is an increase of 6.75 percent, or \$112,892,000 over last year, the major portion of which is the \$101,043,000 increase of construction completed or in progress.

The cumulative amount invested in facilities of the Port Authority rose to \$1,503,765,000 at year-end 1965. The increase of \$101,043,000 over last year is largely represented by increased investment at:

Port Authority Trans-Hudson	\$22,700,000
LaGuardia Airport	19,700,000
John F. Kennedy International Airport..	14,800,000
The World Trade Center	13,300,000
Newark Airport	10,900,000
Elizabeth-Port Authority Marine Terminal	7,300,000
Port Authority Bus Terminal	4,200,000
Goethals Bridge	2,600,000

The adjoining table shows the cumulative amount invested in each facility through December 31, 1965; additional details are reviewed in the chapters dealing with specific facilities.

Funded debt increased \$49,819,000 over last year to a total of \$855,928,000 and is the net result of the issuance of Consolidated Bonds and Notes in the total amount of \$125,000,000, the retirement of \$56,681,000 of debt through income and reserves, plus the refunding of notes in the amount of \$18,500,000.

At the close of 1965, debt retired through income and the reserve funds totaled \$871,619,000, which is fifty-eight percent of the amount invested in facilities.

Reserve Funds

At the year-end 1965, reserve funds were increased in the net amount of \$3,587,000 to a total of \$100,839,000. The General Reserve Fund was increased to \$85,592,000, which equaled the statutory requirement of ten percent of the outstanding funded debt; concurrently, the Special Reserve Fund totaled \$9,089,000, the Air

Cumulative Invested In Facilities

December 31, 1965

(In Millions)

Tunnels and Bridges

George Washington Bridge	\$ 208.4
Lincoln Tunnel	188.0
Holland Tunnel	61.5
Bayonne Bridge	18.2
Outerbridge Crossing	15.3
Goethals Bridge	15.2
	<u>506.9</u>

Air Terminals

John F. Kennedy International Airport ..	381.3
LaGuardia Airport	121.3
Newark Airport	60.8
Teterboro Airport	10.5
Heliports7
	<u>574.8</u>

Marine Terminals

Brooklyn-Port Authority Marine Terminal	94.2
Port Newark	86.2
Elizabeth-Port Authority Marine Terminal	56.1
Hoboken-Port Authority Marine Terminal	18.1
Erie Basin-Port Authority Marine Terminal	11.8
Port Authority Grain Terminal and Columbia Street Pier	3.6
	<u>270.3</u>

Inland Terminals

Port Authority Bus Terminal	52.2
Port Authority Building	22.8
New York Truck Terminal	9.9
Newark Truck Terminal	8.1
	<u>93.1</u>

Rail Transportation

Port Authority Trans-Hudson	45.1
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World Trade

The World Trade Center	13.3
	<u>\$1,503.7</u>

Terminal Reserve Fund \$5,299,000 and the Marine Terminal Reserve Fund \$857,000. These balances continue to meet the long-established policy of maintaining total reserve funds in an amount equal to at least the next two years' mandatory debt service. At year-end, total reserves exceeded the next two years' debt service by \$280,000.

Bond covenants require that reserve funds be maintained in cash or invested in certain government securities. Thus at year-end \$99,831,000 was invested in securities as set forth in Statement D, "Analysis of Reserve Funds." Income from reserve fund investment portfolio during 1965 amounted to \$3,955,000.

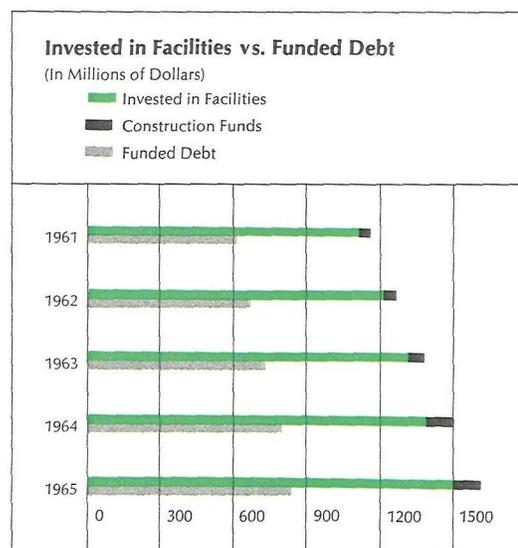
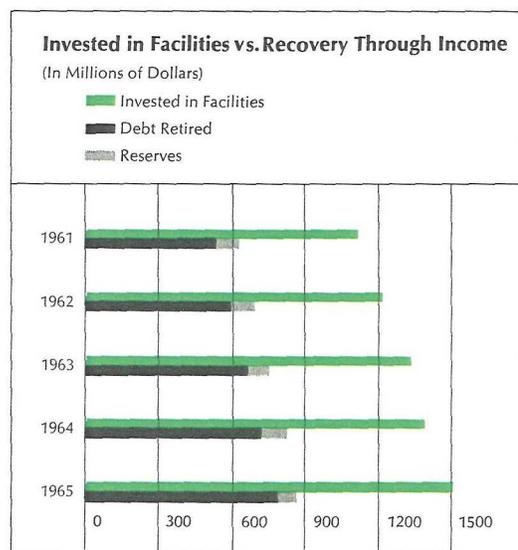
The policy of adjusting the value of securities held in the reserve and operating fund portfolio at year-end to the lower of aggregate market value or aggregate amortized cost resulted in a substantial downward adjustment in reserve funds of \$3,442,000. During 1965 long-term government bond prices drifted toward lower levels, and there was severe pressure on prices during the last several weeks of the year which accounted for the substantial reduction in market value of the portfolio.

Investment Income

The Authority's investment portfolio averaged more than \$296,000,000 during 1965 and produced earnings of \$12,188,000. The long-term portfolio averaged about \$112,000,000, principally reserve funds, and was invested primarily in United States Treasury securities. Long-term investment earnings amounted to \$4,462,000, or an annual rate of about 4.0 percent. Investment in short-term government securities and bank time deposits, averaged approximately \$184,000,000 during the year. The short-term portfolio represented principally the investment of construction funds awaiting disbursement and operating revenues. Income from these short-term investments amounted to \$7,726,000, or an annual earning rate of about 4.2 percent.

Distribution of investment income was

\$1,597,000 to operating funds (before a downward adjustment of \$567,000 to market value of securities held in this fund) and \$3,955,000 to reserve funds. The balance of portfolio earnings, \$6,636,000, was allocated to capital funds, thereby reducing interest costs during the construction period.



Operation of Funded Debt

Debt Issued

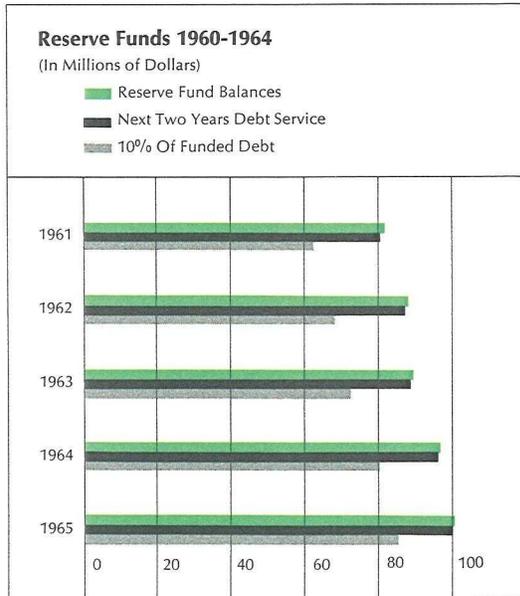
The Authority's funded debt at year-end was \$855,928,000, a net increase over last year of \$49,819,000. Consolidated Bonds and Notes in the principal amount of \$125,000,000 were issued during the year.

On January 7, 1965, \$40,000,000 Consolidated Notes, Series Q, 2¹/₄ percent, due December 28, 1965 were sold at competitive bidding, which resulted in an average net interest cost of 2.291 percent to the Authority. The Notes were sold at various rates of interest to:

<i>Institution</i>	<i>Amount</i>
Salomon Brothers & Hutzler	\$25,000,000
First National City Bank	15,000,000

On January 20, Consolidated Bonds, Twenty-eighth Series, 3³/₈ percent, due February 1, 1996 in the amount of \$25,000,000, were sold to Blyth & Co., Inc. and Associates at their bid of 99.711 percent of par, which resulted in a net interest cost of 3.387 percent to the Authority. The second bid submitted by Merrill Lynch, Pierce, Fenner & Smith Incorporated, White, Weld & Co., Salomon Brothers & Hutzler, W. H. Morton & Co., Incorporated, Paribas Corporation and Associates would have resulted in a net interest cost of 3.402 percent.

The Twenty-ninth Series of Consolidated Bonds, 3¹/₂ percent, due June 1, 1996, in the amount of \$25,000,000, were sold on June 8 to Harriman Ripley & Co., Incorporated and Associates on their low bid of 99.109 percent of par at an annual net interest cost of 3.537 percent. The second bid was submitted by Halsey, Stuart & Co., Inc., Drexel & Co., Ladenburg, Thalmann & Co. and Associates at a net interest cost of 3.542 percent.



Summary of Reserve Funds

December 31 (In Millions)

	1965	1964
General Reserve	\$85.5	\$80.6
Special Reserve	9.0	10.3
Air Terminal Reserve	5.2	5.4
Marine Terminal Reserve8	.8
	<u>\$100.8</u>	<u>\$97.2</u>

Series R Consolidated Notes, 2 $\frac{1}{4}$ percent, due December 28, 1965, in the amount of \$10,000,000, were sold on September 9 at an average net interest cost of about 2.38 percent. These Notes were purchased by:

<i>Institution</i>	<i>Amount</i>
The Chase Manhattan Bank	\$5,000,000
First National City Bank	3,000,000
Salomon Brothers & Hutzler	2,000,000

Halsey, Stuart & Co., Inc., Drexel & Co., Ladenburg, Thalmann & Co. and Associates, on November 4, 1965 purchased the Thirtieth Series Consolidated Bonds, 3 $\frac{5}{8}$ percent, due October 1, 1998, in the amount of \$25,000,000, at their low bid of 99.001 percent of par. The resulting net interest cost to the Authority was 3.668 percent. The second bid on this last bond sale of the year was submitted by First National City Bank and Continental Illinois National Bank and Trust Company of Chicago at a net interest cost of 3.678 percent.

Debt Retired

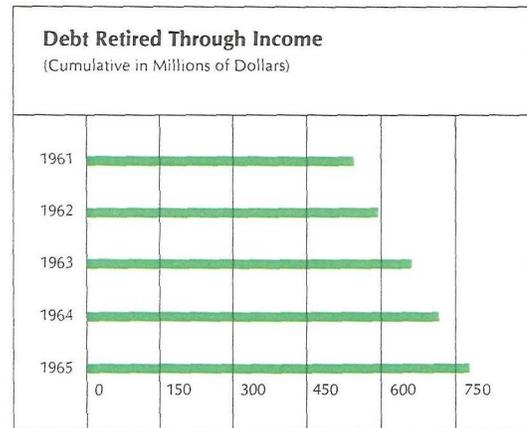
During the year, \$56,681,000 par value of bonds and notes were retired, exclusive of \$8,500,000 Series Q and \$10,000,000 Series R Consolidated Notes which were refunded.

Long-term bonds with a par value of \$21,370,000 were retired through mandatory sinking fund and maturity payments, while \$31,500,000 short-term Consolidated Notes, Series Q, were retired at maturity. These, together with the following bonds with a par value of \$3,811,000, which were retired in anticipation of future requirements, account for the \$56,681,000 of debt retired through income and reserves for

the year 1965, as shown in Statement I, Funded Debt:

<i>Series</i>	<i>Amount</i>
General and Refunding	
Eighth Series	\$ 793,000
Ninth Series	209,000
Tenth Series	135,000
Eleventh Series	181,000
Consolidated	
First Series	195,000
Fourth Series	149,000
Fifth Series	579,000
Sixth Series	730,000
Twelfth Series	133,000
Nineteenth Series	707,000
	\$3,811,000

The difference between the total book value of these bonds purchased in the open market and their call price represents a saving of \$436,300.



Facts for Bondholders

Consolidated Bonds

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

Consolidated Bonds, the only medium of current financing, represented 90.5 percent of the outstanding funded debt of \$855,928,000 at year's end. Progress in unifying the debt structure as older prior lien bonds are retired is shown on the adjoining chart.

On December 31, 1965, outstanding Consolidated Bonds totaled \$774,288,000. Over the years, the Authority has issued a total of \$1,212,650,000 Consolidated Bonds, exclusive of refundings. Of this amount \$329,246,000 has been allocated to "Consolidated Bond Facilities," namely, Brooklyn-Port Authority Marine Terminal, Hoboken-Port Authority Marine Terminal, Erie Basin-Port Authority Marine Terminal, Elizabeth-Port Authority Marine Terminal, the two Port Authority Heliports and the Hudson Tubes. The remaining \$883,404,000 of Consolidated Bond proceeds was allocated to facilities of other bond groups.

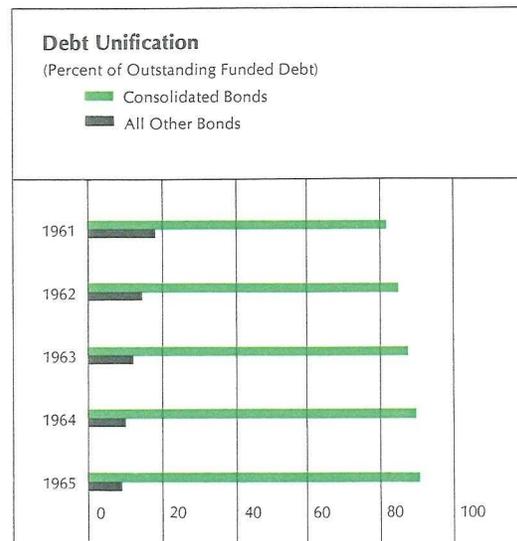
At present, the net revenues from the "Consolidated Bond Facilities" listed above are the only revenues upon which all Consolidated Bonds have a prior lien. This will continue until the older classes of bonds are retired. During the transition period pending retirement of these older bond classes, the 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." It

is therefore, met from the pooled revenues of all facilities through the medium of the General Reserve Fund. At year-end 1965, after meeting all debt service from income and reserves, the General Reserve Fund totaled \$85,592,000. The General Reserve Fund, of course, secures the other bonds on an equal basis with Consolidated Bonds, but in the case of such other bonds pledged revenues were sufficient to meet debt service.

General and Refunding Bonds

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 1965 operations of these facilities, after operating expenses and adjusted financial income, produced net revenues of \$40,741,000 available for debt service and transfer to reserves. Debt service totaled \$439,000 and, at year's end, of the remaining revenues, \$40,301,000 were transferred to the General Reserve Fund toward maintaining it at its statutory amount of 10 percent of the outstanding debt. The Special Reserve Fund which is pledged as additional security for this class



Net Operating Revenues					
(In Millions)					
	1965	1964	1963	1962	1961
Consolidated Bonds					
Revenues	\$21.8	\$21.4	\$18.8	\$10.9	\$ 7.3
Operating Expenses	19.9	17.8	16.1	6.7	3.2
Net Operating Revenues	1.8	3.6	2.6	4.1	4.1
General and Refunding Bonds					
Revenues	\$78.1	\$73.2	\$68.0	\$62.7	\$59.2
Operating Expenses	38.2	35.7	31.5	28.7	25.2
Net Operating Revenues	39.9	37.5	36.5	33.9	34.0
Air Terminal Bonds					
Revenues	\$70.1	\$65.3	\$59.9	\$55.2	\$50.7
Operating Expenses	37.5	32.6	29.1	27.6	24.8
Net Operating Revenues	32.6	32.6	30.8	27.6	25.8
Marine Terminal Bonds					
Revenues	\$ 8.4	\$ 7.2	\$ 7.2	\$ 6.1	\$ 5.8
Operating Expenses	3.1	2.9	3.0	2.5	2.6
Net Operating Revenues	5.2	4.3	4.2	3.6	3.2

of bonds amounted to \$9,089,000 at year-end.

General and Refunding Bonds outstanding at year-end totaled \$25,717,000, a decrease of \$1,318,000 from the previous year-end total. Meanwhile, the total invested in this group of facilities increased \$10,500,000 to \$603,748,000 at the end of 1965.

Since 1952, Consolidated Bond proceeds totaling \$303,102,000 have been allocated to these facilities. The debt service on these bonds, however, cannot be charged directly against the associated revenues but must be charged against revenues of facilities related solely to Consolidated Bonds.

Air Terminal Bonds

These bonds have a first lien on the net revenues of the four airports. In 1965, net revenues available for debt service and reserves totaled \$32,792,000. After paying \$4,635,000 for debt service, of the remaining revenues, \$28,157,000 were transferred to the General Reserve Fund

toward maintaining it at its statutory amount of 10 percent of the outstanding funded debt. The Air Terminal Reserve Fund which is pledged as additional security for this class of bonds amounted to \$5,299,000 at year-end.

With the retirement of \$3,268,000 of Air Terminal Bonds during the year, outstanding Air Terminal Bonds at year's end decreased to \$50,280,000. As a result of the investment of an additional \$45,266,000 during 1965, the total Port Authority investment in airports rose to \$574,089,000.

The proceeds of Consolidated Bonds allocated for capital construction at these facilities reached \$500,101,000 at December 31, 1965.

Marine Terminal Bonds

These bonds have a first lien on the net revenues of Port Newark which, in 1965, totaled \$5,321,000. After the payment of \$269,000 for debt service, \$5,052,000 was transferred to the General Reserve Fund toward maintaining it at its statutory amount of 10 percent of the outstanding funded debt. The Marine Terminal Reserve Fund which is pledged as additional security for this class of bonds amounted to \$857,000 at year-end.

At the end of 1965, Port Authority investment in Port Newark totaled \$86,219,000, an increase of \$1,790,000 over the 1964 year-end total, while the outstanding Marine Terminal Bonds decreased by \$134,000 to \$5,643,000.

At year-end, \$80,200,000 of Consolidated Bond proceeds had been allocated for the development of this facility.

PRICE WATERHOUSE & CO.

60 BROAD STREET
NEW YORK 10004

February 23, 1966

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, 1965 and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the statement on pages 86 and 87 presents fairly the ten year financial data included therein. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

STATEMENT A Revenues and Reserves

	Year Ended December 31,	
	1965	1964
	(In Thousands)	
Gross Operating Revenues	\$178,629	\$167,256
Operating Expenses	98,900	89,177
Net Operating Revenues	<u>79,728</u>	<u>78,079</u>
<i>Financial Income</i>		
Income on investments—net	5,552	5,123
Security valuation adjustment	(4,010)	106
	<u>81,271</u>	<u>83,309</u>
<i>Debt Service</i>		
Interest on funded debt	21,248	20,291
Serial maturities and sinking fund requirements	21,384	19,848
Short-term note maturities	31,500	33,000
Debt retirement acceleration	3,551	3,147
Total Debt Service	<u>77,684</u>	<u>76,286</u>
Net Increase in Reserves	3,587	7,022
Reserve balances—beginning of year	97,252	90,229
Reserve Balances—End of Year	<u>\$100,839</u>	<u>\$ 97,252</u>

STATEMENT B Financial Position

	December 31, 1965			December 31, 1964	
	Capital Funds (Statement E)	Reserve Funds (Statement D)	General Operating Funds	Combined Total	Combined Total
	(In Thousands)				
Assets					
Invested in Facilities	\$1,503,765	\$ —	\$ —	\$1,503,765	\$1,402,722
Investment in Securities (Statement G)	106,343	99,831	15,941	222,116	201,877
Cash	33,647	1,008	5,043	39,700	39,450
Other Assets	1,436	—	20,868	22,304	30,943
Total Assets	<u>1,645,193</u>	<u>100,839</u>	<u>41,853</u>	<u>1,787,886</u>	<u>1,674,994</u>
Liabilities					
Funded Debt (Statement I)	855,928	—	—	855,928	806,109
Debt Retired Through Income (Statement F)	770,780	—	—	770,780	712,837
Reserves	—	100,839	—	100,839	97,252
Accounts Payable and Other Liabilities	18,485	—	29,915	48,400	47,097
Provision for Self-Insurance	—	—	7,498	7,498	6,780
Deferred Credits to Income	—	—	4,440	4,440	4,916
Total Liabilities	<u>\$1,645,193</u>	<u>\$100,839</u>	<u>\$41,853</u>	<u>\$1,787,886</u>	<u>\$1,674,994</u>

See Notes to Financial Statements

Notes to Financial Statements

December 31, 1965

Note A—Accounting Principles:

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

2. The Authority's bond resolutions provide that operating expenses shall not include any allowance for depreciation. However, recovery of facility costs is accomplished through deductions from revenues and reserves of amounts equal to payments to sinking funds and other principal payments on 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 respec-

tive aggregate amortized cost or market values.

6. Pursuant to bi-state legislation, the Authority is authorized and empowered, upon the election of either state, to purchase and lease railroad cars to commuter railroads of the electing state, and to borrow money for such purpose or for the repayment of advances from the electing state. By resolution dated April 12, 1962, the Authority established an issue of New York State Guaranteed Commuter Car Bonds. Such Car Bonds are secured by the net revenues of the Authority arising out of the lease of commuter railroad cars. Car Bonds are not secured by any other revenues, reserves or assets of the Authority, are not general obligations of the Authority and are not secured by the full faith and credit of the Authority. In the event that lease revenues are not sufficient to provide for scheduled payment of principal and interest, the punctual payment of such debt service is fully and unconditionally guaranteed by the electing state. Accordingly, the financial position of this program is presented separately in Statement K, 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, 1965, the Authority was committed under various contracts to the completion over the next two or three years of approximately \$27,000,000 of structures.

Note C—Leases:

LaGuardia Airport and John F. Kennedy International Airport are leased from the City of New York for a term expiring in the year 2015. Port Newark and Newark Airport are leased from the City of Newark for a term expiring (a) upon payment by the Authority of all its funded debt in connection therewith or (b) in the year 1998, whichever occurs sooner.

The Hoboken-Port Authority Marine Terminal is leased from the City of Hoboken

under a lease which will expire in the year 2002 unless a fifty-year extension is executed by then.

A parcel of property at the Brooklyn-Port Authority Marine Terminal is leased from the City of New York until the year 2011.

Note D—Funded Debt:

On January 12, 1966, the Authority issued \$40,000,000 Consolidated Notes, Series S, due December 28, 1966 at an average net interest cost of 3.182 percent.

Note E—General:

Pursuant to legislative and judicial authorizations, the Authority on September 1, 1962 acquired by condemnation 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. The accounts of the subsidiary corporation are consolidated in the accompanying Port Authority financial statements as accounts of a facility whose net revenues are first pledged for Consolidated Bonds. That portion of the total acquisition cost which will be accounted for by condemnation awards for the property is dependent upon final judicial determination. The Port Authority Trans-Hudson Corporation capital accounts include \$17,782,286 representing sums advanced therefor to condemnees to December 31, 1965.

On December 10, 1965, the Supreme Court of the State of New York (New York County) rendered a decision setting the total condemnation price for the property at \$72,845,000 exclusive of interest. General Counsel of the Authority is of the opinion that this sum is excessive and has announced on behalf of the Port Authority that an appeal is planned.

By condemnation proceedings in the New York State Supreme Court, the Authority has acquired title, for purposes of The World Trade Center, to all of the non-governmentally owned real property located in the Hudson Tubes-World Trade Center area as defined by statute.

STATEMENT C Operating Fund Revenues Year Ended December 31, 1965

	Related to				Combined Total
	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	Consolidated Bonds	
	(In Thousands)				
Gross Operating Revenues	\$78,159	\$70,178	\$8,471	\$21,820	\$178,629
Operating Expenses	38,235	37,560	3,183	19,920	98,900
Net Operating Revenues	39,923	32,617	5,287	1,899	79,728
<i>Financial Income</i>					
Income on investments—net	1,192	337	64	2	1,597
Security valuation adjustment	(375)	(161)	(30)	—	(567)
Net Revenues	40,741	32,792	5,321	1,902	80,758
<i>Debt Service</i>					
Interest on funded debt	439	1,424	139	19,244	21,248
Serial maturities and sinking fund requirements	—	3,210	130	18,043	21,384
Short-term note maturities	—	—	—	31,500	31,500
Total Debt Service	439	4,635	269	68,788	74,132
Transfers to and (from) Reserves.....	40,301	28,157	5,052	(66,886)	6,625
<i>Analysis of Transfers</i>					
From General Reserve—to cover net deficit ..	—	—	—	(66,886)	(66,886)
To General Reserve— to bring to 10% of funded debt	40,301	28,157	5,052	—	73,511
Net Transfers	\$40,301	\$28,157	\$5,052	\$(66,886)	\$ 6,625

STATEMENT D Analysis of Reserve Funds Year Ended December 31, 1965

	General Reserve Fund	Special Reserve Fund	Air Terminal Reserve Fund	Marine Terminal Reserve Fund	Combined Total
	(In Thousands)				
Balance—January 1, 1965	\$80,610	\$10,352	\$5,413	\$ 875	\$97,252
Income on investments—net	3,276	422	220	35	3,955
Security valuation adjustment	(2,848)	(369)	(193)	(31)	(3,442)
	81,038	10,405	5,441	880	97,765
Appropriations for:					
Debt retirement acceleration— payments to sinking funds	2,429	1,122	—	—	3,551
Total	78,609	9,283	5,441	880	94,214
Transfers (to) and from Operating Funds:					
Deficit related to Consolidated Bonds	(66,528)	(193)	(141)	(22)	(66,886)
Revenues related to:					
General and Refunding Bonds	40,301	—	—	—	40,301
Air Terminal Bonds	28,157	—	—	—	28,157
Marine Terminal Bonds	5,052	—	—	—	5,052
Net transfers	6,983	(193)	(141)	(22)	6,625
Balance—December 31, 1965	\$85,592	\$ 9,089	\$5,299	\$ 857	\$100,839
Represented by:					
Investment in securities	\$84,736	\$ 8,998	\$5,246	\$ 849	\$ 99,831
Cash	855	90	52	8	1,008

See Notes to Financial Statements

STATEMENT E Capital Funds Assets and Liabilities December 31, 1965

	Related to facilities whose net revenues are first pledged for				Combined Total
	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	Consolidated Bonds	
	(In Thousands)				
Assets	3				
<i>Invested in Facilities</i>					
Completed construction—owned	\$589,138	\$ 10,553	\$ —	\$173,112	\$ 772,805
Completed construction—leased	—	490,394	85,083	23,936	599,414
Construction in progress	14,609	73,140	1,136	42,658	131,545
	<u>603,748</u>	<u>574,089</u>	<u>86,219</u>	<u>239,708</u>	<u>1,503,765</u>
<i>Investment in Securities</i>	8,758	22,735	3,138	71,711	106,343
<i>Cash</i>	2,771	7,193	992	22,689	33,647
<i>Other Assets</i>	694	318	3	420	1,436
<i>Total Assets</i>	<u>615,971</u>	<u>604,337</u>	<u>90,354</u>	<u>334,529</u>	<u>1,645,193</u>
Liabilities					
<i>Funded Debt (Statement I)</i>	25,717	50,280	5,643	774,288	855,928
<i>Interfund Accounts</i>	303,102	500,101	80,200	(883,404)	—
<i>Debt Retired Through Income (Statement F)</i>	286,215	41,846	4,357	438,362	770,780
<i>Accounts Payable and Other Liabilities</i>	936	12,110	154	5,284	18,485
<i>Total Liabilities</i>	<u>\$615,971</u>	<u>\$604,337</u>	<u>\$90,354</u>	<u>\$334,529</u>	<u>\$1,645,193</u>

STATEMENT F Debt Retired Through Income Year Ended December 31, 1965

	December 31, 1965 (In Thousands)
<i>Debt Retired Through Income</i>	
Balance at January 1, 1965	\$679,615
Net revenues and reserves applied to retirement of debt as detailed in Statement I	56,681
Total	<u>736,296</u>
<i>Contributed by Federal and State Agencies in Aid of Construction</i>	
Balance at January 1, 1965	40,391
Amounts received under Federal Airport Act	1,234
Amounts received under Federal Highway Act	27
Total	<u>41,652</u>
<i>Appropriated Reserves Invested in Facilities</i>	
Balance at January 1 and December 31, 1965	8,468
	<u>786,417</u>
Less:	
<i>Cost of Refunding and Consolidating Debt</i>	
Balance at January 1 and December 31, 1965	15,636
Total	<u>\$770,780</u>

See Notes to Financial Statements

STATEMENT G Investment in Securities December 31, 1965

	Principal Amount	Quoted Market Value (In Thousands)	Amortized Cost
<i>Short Term</i>			
United States Treasury Securities:			
Notes:			
4% due 5/15/66	\$ 500	\$ 498	\$ 500
4% due 11/15/66	15,000	14,887	14,988
Bills:			
Due 2/24/66	10,000	9,936	9,940
Due 3/3/66	1,000	992	993
Due 3/17/66	2,000	1,982	1,982
Due 3/22/66	48,530	48,067	48,080
Due 3/24/66	8,000	7,921	7,925
Due 4/14/66	2,000	1,974	1,976
Due 6/22/66	30,500	29,824	29,873
Security valuation allowance at December 31, 1965			(176)
Total Short Term	<u>117,530</u>	<u>116,084</u>	<u>116,084</u>
<i>Long Term</i>			
United States Treasury Securities:			
Bonds:			
2½% due 12/15/69-64	10,000	9,231	9,984
4% due 2/15/70	13,000	12,536	12,928
2½% due 12/15/72-67	1	1	1
4% due 8/15/73	100	95	98
4½% due 2/15/74	1,000	958	994
4½% due 5/15/74	1,500	1,453	1,506
3½% due 11/15/74	12,000	11,317	11,982
4% due 2/15/80	16,900	15,928	16,898
3½% due 11/15/80	1,000	883	997
3½% due 6/15/83-78	1,200	1,018	1,234
4½% due 5/15/85-75	12,350	11,940	12,494
3½% due 2/15/90	13,250	11,303	12,849
4½% due 5/15/94-89	16,000	15,110	16,073
3% due 2/15/95	600	498	600
3½% due 11/15/98	7,978	6,701	7,956
The Port of New York Authority Bonds:			
Air Terminal:			
1st Series, 3% due 6/15/78	187	185	186
2nd Series, 2½% due 10/1/79	889	804	840
3rd Series, 2.2% due 12/1/80	101	89	90
Marine Terminal:			
1st Series, 2½% due 11/1/78	57	51	54
2nd Series, 2.2% due 12/1/80	165	146	149
Consolidated:			
1st Series, 3% due 11/1/82	348	317	338
2nd Series, 2¾% due 9/1/84	994	829	926
4th Series, 2¾% due 4/1/85	1,328	1,108	1,223
6th Series, 3% due 5/1/86	397	343	369
7th Series, 3.4% due 9/1/86	382	357	384
8th Series, 3.4% due 2/1/87	751	702	762
12th Series, 3½% due 5/1/88	534	507	533
14th Series, 3½% due 2/1/89	575	566	584
Security valuation allowance at December 31, 1965			(8,058)
Total Long Term	<u>\$113,587</u>	<u>\$104,988</u>	<u>104,988</u>
Accrued Interest Receivable			1,044
Total Investment in Securities			<u>\$222,116</u>

See Notes to Financial Statements

STATEMENT H Analysis of Sinking Funds Year Ended December 31, 1965

	1965
	(In Thousands)
Sinking Fund balances—January 1	<u>\$ —</u>
Additions to Sinking Funds:	
Obligatory payments from operating accounts:	
General and Refunding Bonds	—
Air Terminal Bonds	3,210
Marine Terminal Bonds	130
Consolidated Bonds	6,843
Appropriation for retirement in anticipation of future requirements from:	
General Reserve Fund	2,429
Special Reserve Fund	1,122
Air Terminal Reserve Fund	—
Marine Terminal Reserve Fund	—
Adjustment of cost of Port Authority bonds to redemption price	436
Total additions to Sinking Funds	<u>14,172</u>
Deductions from Sinking Funds:	
Mandatory Retirements:	
Air Terminal Bonds:	
First Series	1,446
Second Series	1,373
Third Series	494
Marine Terminal Bonds:	
First Series	135
Consolidated Bonds:	
First Series	1,167
Second Series	183
Fourth Series	1,000
Fifth Series	8
Sixth Series	606
Seventh Series	505
Eighth Series	1,030
Twelfth Series	648
Fourteenth Series	1,189
Sixteenth Series	540
Retirements in anticipation of future sinking fund requirements:	
General & Refunding Bonds:	
Eighth Series	793
Ninth Series	209
Tenth Series	135
Eleventh Series	181
Consolidated Bonds:	
First Series	195
Fourth Series	149
Fifth Series	579
Sixth Series	737
Twelfth Series	136
Nineteenth Series	728
Total deductions from Sinking Funds	<u>14,172</u>
Sinking Fund balances—December 31	<u><u>\$ —</u></u>

See Notes to Financial Statements

STATEMENT I Funded Debt Year Ended December 31, 1965

	January 1, 1965	Issued	Retired	December 31, 1965
(In Thousands)				
<i>General and Refunding Bonds</i>				
Eighth Series, 2% due 1974.....	\$ 9,655	\$ —	\$ 793	\$ 8,862
Ninth Series, 1½% due 1985.....	5,679	—	209	5,470
Tenth Series, 1¾% due 1985.....	2,996	—	135	2,861
Eleventh Series, 1¼% due 1986.....	8,705	—	181	8,524
	<u>27,035</u>	<u>—</u>	<u>1,318</u>	<u>25,717</u>
<i>Air Terminal Bonds</i>				
First Series, 3% due 1978.....	22,426	—	1,418	21,008
Second Series, 2½% due 1979.....	22,496	—	1,360	21,136
Third Series, 2.20% due 1980.....	8,626	—	490	8,136
	<u>53,548</u>	<u>—</u>	<u>3,268</u>	<u>50,280</u>
<i>Marine Terminal Bonds</i>				
First Series, 2½% due 1978.....	4,031	—	134	3,897
Second Series, 2.20% due 1980.....	1,746	—	—	1,746
	<u>5,777</u>	<u>—</u>	<u>134</u>	<u>5,643</u>
<i>Consolidated Bonds</i>				
First Series, 3% due 1982.....	25,588	—	1,362	24,226
Second Series, 2¾% due 1984.....	19,703	—	183	19,520
Fourth Series, 2¾% due 1985.....	30,000	—	1,149	28,851
Fifth Series, 2.90% due 1983.....	15,648	—	587	15,061
Sixth Series, 3% due 1986.....	25,200	—	1,330	23,870
Seventh Series, 3.40% due 1986.....	22,000	—	500	21,500
Eighth Series, 3.40% due 1987.....	44,000	—	1,000	43,000
Ninth Series, 3½% due 1965-1975.....	16,200	—	1,800	14,400
Tenth Series, 3¾% due 1987.....	30,000	—	—	30,000
Eleventh Series, 2½% due 1965-1966.....	4,000	—	2,000	2,000
	6,000	—	—	6,000
	3% due 1970-1978.....	18,000	—	18,000
Twelfth Series, 3¾% due 1988.....	35,000	—	763	34,237
Thirteenth Series, 3¼% due 1965-1966.....	2,500	—	1,250	1,250
	3.40% due 1967-1969.....	3,750	—	3,750
	3½% due 1970-1977.....	10,000	—	10,000
	2¾% due 1978.....	1,250	—	1,250
Fourteenth Series, 3¾% due 1989.....	54,560	—	1,155	53,405
Fifteenth Series, 4¼% due 1965.....	1,750	—	1,750	—
	4% due 1966-1975.....	17,500	—	17,500
	4.10% due 1976-1979.....	7,000	—	7,000
Sixteenth Series, 4¼% due 1989.....	24,800	—	525	24,275
Seventeenth Series, 6% due 1965-1967.....	4,500	—	1,500	3,000
	3.40% due 1968.....	1,500	—	1,500
	3½% due 1969-1975.....	10,500	—	10,500
	3.70% due 1976-1979.....	6,000	—	6,000
	1% due 1980.....	1,500	—	1,500
Eighteenth Series, 3% due 1965-1966.....	3,150	—	1,400	1,750
	3.10% due 1967-1969.....	5,250	—	5,250
	3¼% due 1970-1975.....	10,850	—	10,850
	3½% due 1976-1981.....	12,600	—	12,600
Nineteenth Series, 3½% due 1991.....	24,450	—	707	23,743
Twentieth Series, 3¼% due 1993.....	35,000	—	—	35,000
Twenty-first Series, 3.40% due 1993.....	25,000	—	—	25,000
Twenty-second Series, 3¾% due 1993.....	25,000	—	—	25,000
Twenty-third Series, 3¾% due 1994.....	25,000	—	—	25,000
Twenty-fourth Series, 3½% due 1994.....	25,000	—	—	25,000
Twenty-fifth Series, 3.20% due 1965-1973.....	13,500	—	1,500	12,000
	3% due 1974-1978.....	7,500	—	7,500
	3.10% due 1979-1980.....	3,000	—	3,000
	3.20% due 1981-1984.....	6,000	—	6,000
Twenty-sixth Series, 3½% due 1995.....	35,000	—	—	35,000
Twenty-seventh Series, 3¾% due 1995.....	25,000	—	—	25,000
Twenty-eighth Series, 3¾% due 1996.....	—	25,000	—	25,000
Twenty-ninth Series, 3½% due 1996.....	—	25,000	—	25,000
Thirtieth Series, 3¾% due 1998.....	—	25,000	—	25,000
	<u>719,749</u>	<u>75,000</u>	<u>20,461</u>	<u>774,288</u>
<i>Consolidated Notes</i>				
Series Q, 2¼% due December 28, 1965.....	—	40,000	31,500	—
(Refunded).....	—	(8,500)	—	—
Series R, 2¼% due December 28, 1965.....	—	10,000	—	—
(Refunded).....	—	(10,000)	—	—
	<u>719,749</u>	<u>106,500</u>	<u>51,961</u>	<u>774,288</u>
<i>Total Funded Debt.....</i>	<u>\$806,109</u>	<u>\$106,500</u>	<u>\$56,681</u>	<u>\$855,928</u>

See Notes to Financial Statements

STATEMENT J Funded Debt Amortization 1966-1998 (In Thousands)

Year	Debt Service Total All Issues			Amortization			
	Total	Interest	Amortization	Consolidated Bonds	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds
	Par Value: \$855,928						
1966	\$ 49,387	\$ 27,812	\$ 21,575	\$ 17,678	\$ 186	\$ 3,426	\$ 285
1967	51,172	27,084	24,088	19,020	1,167	3,504	397
1968	52,877	26,427	26,450	21,244	1,190	3,597	419
1969	53,268	25,592	27,676	22,354	1,214	3,679	429
1970	53,279	24,717	28,562	23,084	1,267	3,772	439
1971	53,622	23,808	29,814	23,656	1,836	3,873	449
1972	54,392	22,866	31,526	24,859	2,247	3,960	460
1973	54,527	21,872	32,655	25,677	2,442	4,065	471
1974	53,944	20,840	33,104	27,304	1,144	4,174	482
1975	54,323	19,762	34,561	28,620	1,161	4,286	494
1976	52,514	18,674	33,840	27,756	1,177	4,401	506
1977	52,023	17,587	34,436	28,205	1,193	4,520	518
1978	52,532	16,421	36,111	32,218	1,211	2,531	151
1979	51,135	15,212	35,923	33,874	1,228	667	154
1980	49,889	14,050	35,839	34,592	1,247		
1981	48,007	12,899	35,108	33,844	1,264		
1982	45,111	11,817	33,294	32,012	1,282		
1983	45,540	10,720	34,820	33,520	1,300		
1984	45,904	9,556	36,348	35,030	1,318		
1985	43,928	8,361	35,567	34,925	642		
1986	43,957	7,107	36,850	36,850			
1987	38,437	5,837	32,600	32,600			
1988	29,508	4,833	24,675	24,675			
1989	26,532	3,982	22,550	22,550			
1990	22,346	3,296	19,050	19,050			
1991	21,692	2,642	19,050	19,050			
1992	19,051	2,001	17,050	17,050			
1993	18,431	1,381	17,050	17,050			
1994	12,494	844	11,650	11,650			
1995	8,852	452	8,400	8,400			
1996	4,662	162	4,500	4,500			
1997	1,338	88	1,250	1,250			
1998	1,541	41	1,500	1,500			
Total	<u>\$1,266,215</u>	<u>\$ 408,743</u>	<u>\$ 857,472</u>	<u>\$ 775,647</u>	<u>\$ 25,716</u>	<u>\$ 50,455</u>	<u>\$ 5,654</u>

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

See Notes to Financial Statements

STATEMENT K

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

	<u>December 31, 1965</u>			<u>December 31, 1964</u>
	Related to cars			
	leased to The New York Central Railroad Company	leased to The Long Island Rail Road Company	Combined Total	Combined Total
	(In Thousands)			
Assets				
Invested in commuter cars	\$13,937	\$5,462	\$19,400	\$13,587
Investment in U.S. Government Securities	326	138	465	6,165
Cash	9	6	15	449
Other assets	76	—	77	81
Total assets	<u>14,350</u>	<u>5,609</u>	<u>19,959</u>	<u>20,285</u>
Liabilities				
State Guaranteed Commuter Car Bonds	13,020	1,240	14,260	16,050
Debt retired through income	1,230	4,235	5,465	3,675
Accounts payable and other liabilities	100	134	234	560
Total liabilities	<u>\$14,350</u>	<u>\$5,609</u>	<u>\$19,959</u>	<u>\$20,285</u>

See Note A-6 to Financial Statements

STATEMENT OF SELECTED FINANCIAL DATA—A Ten-Year Comparison (In Thousands)

	1965	1964	1963	1962
Net Revenues (A)				
Gross Operating Revenues	\$ 178,629	\$ 167,256	\$ 154,025	\$ 135,059
Operating Expenses	98,900	89,177	79,797	65,742
Net Operating Revenues	\$ 79,728	\$ 78,079	\$ 74,228	\$ 69,317
Other Income (B)	5,552	5,123	4,824	4,806
Net Revenues	\$ 85,281	\$ 83,202	\$ 79,053	\$ 74,123
Interest on Funded Debt	21,248	20,291	18,752	16,280
Net Revenues after Interest	\$ 64,032	\$ 62,911	\$ 60,301	\$ 57,843
Times, Interest Earned	4.01	4.10	4.22	4.55
Mandatory Redemption Payments	21,384	19,848	20,264	20,777
Net Revenues after Debt Service (C)	\$ 42,648	\$ 43,062	\$ 40,036	\$ 37,066
Times, Debt Service Earned	2.00	2.07	2.03	2.00
Net Changes in Reserves:				
Transferred from Revenues (above)	\$ 42,648	\$ 43,062	\$ 40,036	\$ 37,066
Short Term Note Maturities	(31,500)	(33,000)	(33,000)	(31,000)
Long Term Debt Retirement Acceleration	(3,551)	(3,147)	(2,590)	(2,038)
Adjustment of Securities to Market Value (D)	(4,010)	106	(2,967)	2,310
Net Change	\$ 3,587	\$ 7,022	\$ 1,478	\$ 6,338
Reserves—At Year End				
General Reserve	\$ 85,592	\$ 80,610	\$ 73,949	\$ 68,761
G & R Special Reserve	9,089	10,352	10,780	12,955
Air Terminal Reserve	5,299	5,413	4,423	5,825
Marine Terminal Reserve	857	875	1,075	1,209
Total	\$ 100,839	\$ 97,252	\$ 90,229	\$ 88,751
Funded Debt—At Year End				
General and Refunding Bonds	\$ 25,717	\$ 27,035	\$ 33,190	\$ 38,761
Air Terminal Bonds	50,280	53,548	56,330	59,898
Marine Terminal Bonds	5,643	5,777	6,543	6,913
Consolidated Bonds	774,288	719,749	643,434	582,041
Total	\$ 855,928	\$ 806,109	\$ 739,497	\$ 687,613
Invested in Facilities—At Year End	\$1,503,765	\$1,402,722	\$1,327,956	\$1,224,227
Debt Retirement Through Revenues and Reserves				
Annually	\$ 56,681	\$ 56,388	\$ 56,116	\$ 54,480
Cumulative	736,296	679,615	623,227	567,111

1961	1960	1959	1958	1957	1956
\$ 123,267	\$ 115,370	\$105,662	\$ 93,183	\$ 84,753	\$ 76,712
56,018	52,688	45,605	42,513	39,579	37,094
\$ 67,249	\$ 62,682	\$ 60,056	\$ 50,669	\$ 45,173	\$ 39,617
4,339	4,689	3,600	2,677	2,217	1,590
\$ 71,588	\$ 67,371	\$ 63,656	\$ 53,346	\$ 47,390	\$ 41,207
14,807	13,291	11,228	9,159	6,146	5,076
\$ 56,781	\$ 54,080	\$ 52,428	\$ 44,187	\$ 41,244	\$ 36,131
4.83	5.07	5.67	5.82	7.71	8.12
19,002	17,449	16,718	11,633	10,118	8,692
\$ 37,779	\$ 36,631	\$ 35,710	\$ 32,554	\$ 31,126	\$ 27,439
2.12	2.19	2.28	2.57	2.91	2.99
\$ 37,779	\$ 36,631	\$ 35,710	\$ 32,554	\$ 31,126	\$ 27,439
(32,000)	(35,000)	(24,000)	(19,000)	(13,500)	(19,000)
(489)	(1,021)	(925)	(796)	(2,070)	(1,355)
(1,943)	6,598	(3,610)	(3,913)	3,095	(2,500)
\$ 3,347	\$ 7,208	\$ 7,175	\$ 8,845	\$ 18,651	\$ 4,584
\$ 62,609	\$ 61,082	\$ 57,480	\$ 50,799	\$ 42,067	\$ 32,485
13,305	12,512	10,535	10,573	10,795	4,265
5,376	4,468	3,087	2,642	2,368	301
1,121	1,001	753	666	606	135
\$ 82,412	\$ 79,065	\$ 71,857	\$ 64,682	\$ 55,837	\$ 37,186
\$ 46,077	\$ 51,782	\$ 58,566	\$ 64,893	\$ 70,594	\$ 78,116
62,829	64,512	65,895	66,326	66,748	67,162
7,276	7,630	7,976	8,312	8,642	8,876
509,911	486,903	442,372	368,468	274,692	170,694
\$ 626,093	\$ 610,827	\$574,809	\$507,999	\$420,676	\$324,848
\$1,116,109	\$1,012,540	\$920,249	\$816,700	\$725,394	\$616,298
\$ 51,734	\$ 53,982	\$ 42,190	\$ 31,677	\$ 26,472	\$ 29,106
512,631	460,897	406,915	364,725	333,048	306,576

(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.

(C) Net deficits of the facilities whose net revenues are first pledged to Consolidated Bonds 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.

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